

AMENDED IN SENATE MARCH 12, 1998  
AMENDED IN ASSEMBLY JANUARY 27, 1998  
AMENDED IN ASSEMBLY MAY 20, 1997  
AMENDED IN ASSEMBLY MAY 5, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

**ASSEMBLY BILL**

**No. 598**

**Introduced by Assembly Member Davis**

February 25, 1997

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An act to amend Sections 1500, 2571, 2572, 10554, 16197, 17047, 33050, 41012, 41202, 41601, 41972, 42129, 46200.5, 46201.5, 54732, 56027, 56131, 56132, 56136, 56155.5, 56156.6, 56200, 56205, 56207, 56361, 56364.1, 56365, 56366, 56366.3, 56446, 56832, 56835.04, 56836.03, 56836.08, 56836.09, ~~56836.12, 56836.21, and 56864~~ of, to amend, repeal, and add 56836.12, 56836.21, 56836.24, and 56864 of, to amend and renumber Section 56364.5 of, to amend and repeal Section 56156.5 of, to add Sections 17225, ~~56044, 56046, 56047, and 56048~~ 56048, and 56156.4 to, and to repeal Sections 41202, 56160, 56161, 56169, 56365.5, 56441.10, and 56447 of, the Education Code, and to amend Sections 97.2 and 97.3 of the Revenue and Taxation Code, relating to special education, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 598, as amended, Davis. Special education.

(1) Existing law, the Poochigian and Davis Special Education Reform Act (the act), establishes a method for financing special education that is based on the pupil population in each special education local plan area (SELPA) and equalizes funding among SELPAs. Existing law requires, commencing in the 1998–99 fiscal year, and each fiscal year thereafter, allocation of funds to be made to SELPAs. The administrator of each SELPA is responsible for the fiscal administration of the annual budget allocation plan for special education programs and the allocation of state and federal funds to the school districts and county offices of education composing the SELPA in accordance with the local plan. Existing law requires each SELPA to submit a revised local plan on or before the time it is required to submit a local plan. Until the Superintendent of Public Instruction (superintendent) approves the revised local plan, the SELPA is required to continue to operate under the reporting and accounting requirements prescribed by the State Department of Education for the special education finance provisions repealed by the act.

This bill would make substantive and technical changes to provisions of law relating to special education to conform those provisions with the provisions of the act.

(2) *Existing law prohibits, upon the submittal or approval of a revised local plan, special education programs and services already in operation in school districts or county offices of education from being transferred to another school district or county office of education or from a county office of education to a school district unless the special education local plan area has developed a plan for the transfer that addresses certain minimum requirements.*

*This bill would make this provision applicable to special education programs commencing on July 1, 1998, whether or not a special education local plan area has a submitted or approved revised local plan.*

(3) Existing law requires the superintendent to review the appropriateness of a new public and nonpublic school special education placement of an individual with exceptional needs if the cost of the placement exceeds \$20,000.

This bill would repeal this provision.

~~(3)–~~

(4) Existing law requires the superintendent to develop a funding formula for the distribution of federal funds under Title II of the Education of the Handicapped Act Amendments of 1986.

This bill would repeal this provision.

~~(4)–~~

(5) Existing law requires the superintendent to adopt rules and regulations to ensure that apportionments, inclusive of federal funds, for all individuals with exceptional needs between the ages of 3 and 5 years, inclusive, shall be paid to the extent permitted by federal law for no more than 3% of the statewide population of children between the ages of 3 and 5 years, inclusive.

This bill would repeal this provision.

~~(5)–~~

(6) Existing law provides that the former method of funding special education shall apply for the purpose of recertification of amounts funded under those provisions until June 30, 2001.

This bill would instead provide that the former method of funding special education shall apply for the purpose of submitting corrections to amounts funded under those provisions until June 30, 1999, and for the purpose of certifications until June 30, 2000.

~~(6)–~~

(7) Existing law, the new funding formula for funding special education, requires computation of a special disabilities adjustment for the 1998–99 fiscal year.

This bill would prohibit the amount of funds that a SELPA receives for the special disabilities adjustment in the 1998–99 fiscal year from being used in the calculation of a base amount for the 1999–2000 fiscal year.

~~(7)–~~

(8) Existing law, the new funding formula for funding special education, requires computation of a base amount in the 1998–99 fiscal year, that is calculated by subtracting specified funds received by a SELPA for the 1997–98 fiscal year from other amounts received by the SELPA for the 1997–98 fiscal year.



This bill would include in that base amount funds received pursuant to a pilot project for pupils who were previously placed in nonpublic, nonsectarian schools and would not include in that base amount federal funds received for the purposes of funding pupils with low-incidence disabilities *and funding vocational training and job placement for pupils with exceptional needs through the Project Workability I program.*

~~(8)~~

(9) Existing law requires the State Department of Education to administer an extraordinary cost pool to protect SELPAs from the extraordinary costs associated with single placements in nonpublic, nonsectarian schools. Existing law provides that SELPAs are eligible to submit claims for costs of any nonpublic, nonsectarian school placements exceeding a threshold amount.

This bill would *exclude placements reimbursed for licensed children's institutions from the extraordinary cost pool. The bill would provide that SELPAs are eligible to submit claims only for costs of any new nonpublic, nonsectarian school placements in excess of those in existence in the 1997–98 fiscal year and exceeding the threshold amount.*

~~(9)~~

(10) This bill would declare that it is to take effect immediately as an urgency statute and become operative on July 1, 1998.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1500 of the Education Code is  
2 amended to read:  
3 1500. All expenses shall be paid out of the County  
4 School Service Fund necessary for the county board of  
5 education and the county superintendent of schools to  
6 perform the duties and render the services required by  
7 and comply with Sections 1042, 1250, 1252, 1270, 1297,  
8 1299, 1330, 1601, 1602, 1702, 41020, 41360, 42621, 42622,  
9 45035, 45056, 60601, 60602, 60605, 84040, 85221, 85222,  
10 87809, Chapter 7.2 (commencing with Section 56836) of

1 Part 30, and Part 1 (commencing with Section 100) of  
2 Division 1 of the Unemployment Insurance Code.

3 This section shall not be construed to prohibit support  
4 from the county general fund from being provided for  
5 duties and services performed pursuant to the sections  
6 and part enumerated above.

7 SEC. 2. Section 2571 of the Education Code is  
8 amended to read:

9 2571. The Superintendent of Public Instruction shall  
10 make the following computations for each county  
11 superintendent of schools:

12 (a) Add the property tax revenues received for the  
13 1977–78 fiscal year pursuant to subdivisions (b), (c) and  
14 (d) of Section 2500, Section 2501 for purposes of Section  
15 1705, Section 2502 for purposes of Section 56811, Section  
16 2505 for special education tuition charges, Section 42909  
17 for purposes of Section 56604, and Section 56364 or  
18 Section ~~56364.5~~ 56364.6, as applicable. For purposes of this  
19 subdivision, section references are to sections effective  
20 during the 1977–78 fiscal year.

21 (b) Divide the sum computed pursuant to subdivision  
22 (a) by the total amount of property tax revenues received  
23 by the county superintendent of schools for the 1977–78  
24 fiscal year.

25 (c) Multiply the quotient computed pursuant to  
26 subdivision (b) by the total amount of property tax  
27 revenues received by the county superintendent of  
28 schools for the then current fiscal year.

29 (d) Subtract the product computed pursuant to  
30 subdivision (c) from the total amount of property tax  
31 revenues received by the county superintendent of  
32 schools for the then current fiscal year.

33 (e) For purposes of subdivisions (c) and (d), “total  
34 property tax revenues” include taxes on the secured roll,  
35 taxes on the unsecured roll, prior year taxes and  
36 subventions of property taxes.

37 SEC. 3. Section 2572 of the Education Code is  
38 amended to read:

39 2572. The product computed pursuant to subdivision  
40 (c) of Section 2571 is the amount of property tax revenues

1 to be allocated to special education programs. *This*  
2 *amount shall be subtracted pursuant to subdivision (c) of*  
3 *Section 56836.08.*

4 SEC. 4. Section 10554 of the Education Code is  
5 amended to read:

6 10554. (a) In order for the governing board to carry  
7 out its responsibilities pursuant to this chapter, there is  
8 hereby established the Educational Telecommunication  
9 Fund. The amount of moneys to be deposited in the fund  
10 shall be the amount of any offset made to the principal  
11 apportionments made pursuant to Sections 1909, 2558,  
12 42238, 52616, Article 1.5 (commencing with Section  
13 52335) of Chapter 9 of Part 28, and Chapter 7.2  
14 (commencing with Section 56836) of Part 30, based on a  
15 finding that these apportionments were not in  
16 accordance with law. The maximum amount that may be  
17 annually deposited in the fund from the offset shall be one  
18 million dollars (\$1,000,000), or if the total of the offset is  
19 less than one million dollars (\$1,000,000), then the total  
20 amount of the offset. The Controller shall establish an  
21 account to receive and expend moneys in the fund. The  
22 placement of the moneys in the fund shall occur only  
23 upon a finding by the Superintendent of Public  
24 Instruction and the Director of Finance that the principal  
25 apportionments made pursuant to Sections 1909, 2558,  
26 42238, 52616, and Article 1.5 (commencing with Section  
27 52335) of Chapter 9 of Part 28, and Chapter 7.2  
28 (commencing with Section 56836) of Part 30, were not in  
29 accordance with existing law, and were so identified  
30 pursuant to Sections 1624, 14506, 41020, 41020.2, 41320,  
31 42127.2, and 42127.3, or an independent audit that was  
32 approved by the State Department of Education.

33 (b) Moneys in the fund established pursuant to  
34 subdivision (a) shall only be available for expenditure  
35 upon appropriation by the Legislature in the Budget Act.

36 (c) The moneys in the fund established pursuant to  
37 subdivision (a) may be expended by the governing board  
38 to carry out the purposes of this chapter, including for the  
39 following purposes:

(1) To support the activities of the team established pursuant to subdivision (c) of Section 10551.

(2) To assist the school districts and county superintendents of schools in purchasing both hardware and software to allow school districts, county superintendents of schools, and the State Department of Education to be linked for school business and administrative purposes. The governing board shall establish a matching share requirement that applicant school districts and county superintendents of schools must fulfill to receive those funds. It is the intent of the Legislature to encourage the distribution of grants to school districts and county superintendents of schools to the widest extent possible.

(3) To provide technical assistance through county offices of education to school districts in implementing the standards established pursuant to subdivision (a) of Section 10552.

(d) This section shall become inoperative as of January 1, 2000.

SEC. 5. Section 16197 of the Education Code is amended to read:

16197. Notwithstanding any other provisions of this article to the contrary, apportionments for the purchase of mobile classrooms for the education of physically handicapped pupils enrolled in integrated programs, as set forth in ~~Chapter 7.2 (commencing with Section 56836) of Part 30~~ *Part 30 (commencing with Section 56000)*, and for the education and therapy of speech-handicapped pupils may, subject to the approval of the State Department of Education, be made to any school district not otherwise eligible to receive apportionments under Article 1 (commencing with Section 16000) and Article 2 (commencing with Section 16150) for that purpose.

The State Department of Education may approve applications in those situations where mobile classrooms will be used by a county superintendent of schools required to educate physically handicapped minors pursuant to Sections 1850 and Chapter 7.2 (commencing

1 with Section 56836) of Part 30. Mobile classrooms shall be  
2 used pursuant to an agreement authorized by Section  
3 41308.

4 Except as otherwise provided in this section, not more  
5 than 50 percent of the amount of any apportionment  
6 made pursuant to this section shall be repaid.  
7 Repayments shall be made in the following manner: Fifty  
8 percent of the amount of the apportionment shall be  
9 repaid in full with interest by the district, in annual  
10 amounts and at an interest rate over the period as the  
11 State Allocation Board may determine, not to exceed 20  
12 years from the date the apportionment became final. In  
13 any school year in which 50 percent or more of the pupils  
14 in average daily attendance, as determined by the county  
15 superintendent of schools, and served by the facilities are  
16 not pupils from districts other than the applicant district,  
17 the repayment for the succeeding fiscal year shall be an  
18 amount which would have been payable if the district had  
19 been required to repay 100 percent of the apportionment  
20 over that period.

21 The county board of supervisors of the county whose  
22 superintendent of schools uses mobile classrooms during  
23 any fiscal year shall at the time or times within the fiscal  
24 year as may be agreed upon between the county and the  
25 school district, but in any case not later than the end of the  
26 fiscal year, pay to the school district having the obligation  
27 to repay the apportionment made under this section for  
28 the purchase of mobile classrooms, an amount equal to  
29 100 percent of the amount the district is required to repay  
30 in the fiscal year with respect to the apportionment  
31 described above.

32 The county board of supervisors shall raise the amount  
33 required through a general tax levy on the property  
34 within the participating districts, or through a tuition  
35 charge not to exceed one hundred sixty dollars (\$160) a  
36 year per pupil by the county superintendent of schools to  
37 the school districts of residence of pupils attending the  
38 facility including the district having the obligation to  
39 repay, or through a combination of these.





The county superintendent of schools shall notify the county board of supervisors of his or her intention to approve a school district's application for an allocation under this article before he or she approves the application.

The State Department of Education shall prepare specifications or regulations for the construction of mobile classrooms to provide for a useful life of no less than 20 years.

The use of mobile classrooms shall meet specifications described by the State Department of Education as they relate to the needs of the physically handicapped pupils being served, as set forth in Chapter 7.2 (commencing with Section 56836) of Part 30.

SEC. 6. Section 17047 of the Education Code is amended to read:

17047. (a) The allowable new building area for the purpose of providing special day class and Resource Specialist Program facilities for special education pupils shall be negotiated and approved by the State Allocation Board, with any necessary assistance to be provided by the Special Education Division of the State Department of Education. The square footage allowances shall be computed within the maximum square footage set forth in the following schedule:

Special Day Class	Grade	Load-	Square
Basic Need	Levels	ing*	Footage
Nonsevere Disability			
—Specific Learning			
Disability	All	12	1080
—Mildly Mentally			
Retarded	All	12	1080
—Severe Disorder			
of Language	All	10	1080
Severe Disability			
—Deaf and Hard of			
Hearing	All	10	1080
—Visually Im-			
paired	All	10	1330 (1080 + 250 storage)

1	—Orthopedically and			
2	Other Health Im-			
3	paired	All	12	2000 (1080 + 400 toilets
4				+ 250 storage + 270 daily
5				living skills + 3000 thera-
6				py + <del>75</del> 750 therapy per
7				additional classroom)
8	—Autistic	All	6	1160 (1080 + 80 toilets)
9	—Severely Emotion-			
10	ally Disturbed	All	6	1160 (1080 + 80 toilets)
11	—Severely Mentally			
12	Retarded	Elem.	12	1750 (1080 + 400 toilets
13				+ 270 daily living skills)
14		Secon.		2150 (1080 + 400 toilets
15				+ 270 daily living skills +
16				400 vocational)
17	—Developmentally			
18	Disabled	All	10	2000 (1080 + 400 toilets
19				+ 250 storage + 270 daily
20				living skills + 3000 thera-
21				py** + 750 therapy per
22				additional CR)
23	—Deaf-Blind/Multi	All	5	1400 (1080 + 200 stor-
24				age + 150 toilets)
25				

					Pupils	Square Feet
1						
2						
3	Resource Specialist Pro-	All Maximum	1-8	240		
4	gram for those pupils with	caseload for	9-28	480		
5	disabling conditions whose	RS is 28, not all	29-37	720		
6	needs have been identified	served at same	38-56	960		
7	by the Individualized	time.	57-65	1200		
8	Education Program (IEP)		66-85	1440		
9	Team, who require special		86-94	1680		
10	education for a portion of		95-112	1920		
11	the day, and who are as-					
12	signed to a regular class-					
13	room for a majority of the					
14	school day.***					

15

16 \* Special pupils may usually be grouped

17 without accordance to type, especially in

18 smaller districts or where attendance zones

19 may indicate, to maximize loadings per class-

20 room where there are children with similar

21 educational need (Sec. 56364 or Sec. ~~56364.5~~

22 56364.6, as applicable).

23 \*\* Therapy add-ons not to be provided if on

24 same site as orthopedically impaired.

25 \*\*\* To a maximum of 4 percent of the un-

26 housed average daily attendance of the dis-

27 trict, per new school or addition, to a maxi-

28 mum of 1920 square feet.

29

30 (b) The allowable new building area shall be

31 computed by dividing the number of eligible pupils by

32 the minimum required loading per classroom for special

33 day classes for the type of pupils to be enrolled. No new

34 or additional facility shall be provided for special day

35 classes unless the number of additional eligible pupils

36 equals one-third or more of the minimum required

37 loading.

38 SEC. 7. Section 17225 is added to the Education Code,

39 to read:

1 17225. Any facilities constructed or leased for  
2 individuals with exceptional needs shall be designed and,  
3 if possible, located to achieve maximum possible  
4 interaction between individuals with exceptional needs  
5 and other pupils.

6 SEC. 8. Section 33050 of the Education Code is  
7 amended to read:

8 33050. (a) The governing board of a school district or  
9 a county board of education may, on a districtwide or  
10 countywide basis or on behalf of one or more of its schools  
11 or programs, after a public hearing on the matter, request  
12 the State Board of Education to waive all or part of any  
13 section of this code or any regulation adopted by the State  
14 Board of Education that implements a provision of this  
15 code that may be waived, except:

16 (1) Article 1 (commencing with Section 15700) and  
17 Article 2 (commencing with Section 15780) of Chapter 6  
18 of Part 10.

19 (2) Chapter 8 (commencing with Section 16000) and  
20 Chapter 9 (commencing with Section 16400) of Part 10.

21 (3) Chapter 22 (commencing with Section 17700),  
22 Chapter 23 (commencing with Section 17760), and  
23 Chapter 25 (commencing with Section 17785) of Part 10.

24 (4) Part 13 (commencing with Section 22000).

25 (5) Section 35735.1.

26 (6) Paragraph (8) of subdivision (a) of Section 37220.

27 (7) The following provisions of Part 23:

28 (A) Chapter 1 (commencing with Section 39000).

29 (B) Article 1 (commencing with Section 39100) to  
30 Article 6 (commencing with Section 39210), inclusive, of  
31 Chapter 2.

32 (C) Section 39248; Sections 39313 to 39325, inclusive;  
33 Sections 39360.5 and 39363 and subdivision (a) of Section  
34 39363.5; and Sections 39618 to 39621, inclusive.

35 (8) Sections 52163, 52165, 52166, and 52178.

36 (9) Article 3 (commencing with Section 52850) of  
37 Chapter 12 of Part 28.

38 (10) The identification and assessment criteria  
39 relating to any categorical aid program, including  
40 Sections 52164.1 and 52164.6.

1 (11) Sections 41000 to 41360, inclusive; Sections 41420  
2 to 41423, inclusive; Sections 41600 to 41866, inclusive;  
3 Sections 41920 to 42911, inclusive; Article 3 (commencing  
4 with Section 44930) of Chapter 4 of Part 25; Part 26  
5 (commencing with Section 46000) and Chapter 6  
6 (commencing with Section 48900) and Chapter 6.5  
7 (commencing with Section 49060) of Part 27; or  
8 regulations in Title 5 of the California Code of Regulations  
9 adopted pursuant to Article 3 (commencing with Section  
10 44930) of Chapter 4 of Part 25.

11 (12) Section 51513.

12 (13) Chapter 6.10 (commencing with Section 52120)  
13 of Part 28, relating to the Class Size Reduction Program.

14 (14) Section 56364.1, except that this restriction shall  
15 not prohibit the State Board of Education from approving  
16 any waiver of Section 56364 or Section ~~56364.5~~ 56364.6, as  
17 applicable, relating to full inclusion.

18 (15) Article 4 (commencing with Section 60640) of  
19 Chapter 5 of Part 33, relating to the STAR Program, and  
20 any other provisions of Chapter 5 (commencing with  
21 Section 60600) of Part 33 that establish requirements for  
22 the STAR Program.

23 (b) Any waiver of provisions related to the programs  
24 identified in Section 52851 shall be granted only pursuant  
25 to Article 3 (commencing with Section 52850) of Chapter  
26 12 of Part 28.

27 (c) The waiver of an advisory committee required by  
28 law shall be granted only pursuant to Article 4  
29 (commencing with Section 52870) of Chapter 12 of Part  
30 28.

31 (d) Any request for a waiver submitted by the  
32 governing board of a school district or a county board of  
33 education pursuant to subdivision (a) shall include a  
34 written statement as to (1) whether the exclusive  
35 representative of employees, if any, as provided in  
36 Chapter 10.7 (commencing with Section 3540) of  
37 Division 4 of Title 1 of the Government Code,  
38 participated in the development of the waiver and (2)  
39 the exclusive representative's position regarding the  
40 waiver.

1 (e) Any request for a waiver submitted pursuant to  
2 subdivision (a) relating to a regional occupational center  
3 or program established pursuant to Article 1  
4 (commencing with Section 52300) of Chapter 9 of Part 28,  
5 that is operated by a joint powers entity established  
6 pursuant to Chapter 5 (commencing with Section 6500)  
7 of Division 7 of Title 1 of the Government Code, shall be  
8 submitted as a joint waiver request for each participating  
9 school district and shall meet both of the following  
10 conditions:

11 (1) Each joint waiver request shall comply with all of  
12 the requirements of this article.

13 (2) The submission of a joint waiver request shall be  
14 approved by a unanimous vote of the governing board of  
15 the joint powers agency.

16 (f) The governing board of any school district  
17 requesting a waiver under this section of any provision of  
18 Article 5 (commencing with Section 39390) of Chapter 3  
19 of Part 23 shall provide written notice of any public  
20 hearing it conducted pursuant to subdivision (a), at least  
21 30 days prior to the hearing, to each public agency  
22 identified under Section 39394.

23 SEC. 9. Section 41012 of the Education Code is  
24 amended to read:

25 41012. For purposes of determining allowances  
26 pursuant to Chapter 8 (commencing with Section 52200)  
27 of Part 28, and Chapter 3 (commencing with Section  
28 56500) and Chapter 4 (commencing with Section 56600)  
29 of Part 30 , the Superintendent of Public Instruction shall  
30 require the use of a uniform cost accounting procedure,  
31 as set forth in the California School Accounting Manual.

32 SEC. 10. Section 41202 of the Education Code, as  
33 added by Chapter 82 of the Statutes of 1989, is repealed.

34 SEC. 11. Section 41202 of the Education Code, as  
35 amended by Chapter 308 of the Statutes of 1995, is  
36 amended to read:

37 41202. The words and phrases set forth in subdivision  
38 (b) of Section 8 of Article XVI of the Constitution of the  
39 State of California shall have the following meanings:



1 (a) “Moneys to be applied by the State,” as used in  
2 subdivision (b) of Section 8 of Article XVI of the  
3 California Constitution, means appropriations from the  
4 General Fund that are made for allocation to school  
5 districts, as defined, or community college districts. An  
6 appropriation that is withheld, impounded, or made  
7 without provisions for its allocation to school districts or  
8 community college districts, shall not be considered to be  
9 “moneys to be applied by the State.”

10 (b) “General Fund revenues which may be  
11 appropriated pursuant to Article XIII B,” as used in  
12 paragraph (1) of subdivision (b) of Section 8 of Article  
13 XVI, means General Fund revenues that are the proceeds  
14 of taxes as defined by subdivision (c) of Section 8 of  
15 Article XIII B of the California Constitution, including,  
16 for the 1986–87 fiscal year only, any revenues that are  
17 determined to be in excess of the appropriations limit  
18 established pursuant to Article XIII B for the fiscal year  
19 in which they are received. General Fund revenues for  
20 a fiscal year to which paragraph (1) of subdivision (b) is  
21 being applied shall include, in that computation, only  
22 General Fund revenues for that fiscal year that are the  
23 proceeds of taxes, as defined in subdivision (c) of Section  
24 8 of Article XIII B of the California Constitution, and shall  
25 not include prior fiscal year revenues. Commencing with  
26 the 1995–96 fiscal year, and each fiscal year thereafter,  
27 “General Fund revenues that are the proceeds of taxes,”  
28 as defined in subdivision (c) of Section 8 of Article XIII B  
29 of the California Constitution, includes any portion of the  
30 proceeds of taxes received from the state sales tax that are  
31 transferred to the counties pursuant to, and only if,  
32 legislation is enacted during the 1995–96 fiscal year the  
33 purpose of which is to realign children’s programs. The  
34 amount of the proceeds of taxes shall be computed for any  
35 fiscal year in a manner consistent with the manner in  
36 which the amount of the proceeds of taxes was computed  
37 by the Department of Finance for purposes of the  
38 Governor’s Budget for the Budget Act of 1986.

39 (c) “General Fund revenues appropriated for school  
40 districts,” as used in paragraph (1) of subdivision (b) of

1 Section 8 of Article XVI of the California Constitution,  
2 means the sum of appropriations made that are for  
3 allocation to school districts, as defined in Section 41302.5,  
4 regardless of whether those appropriations were made  
5 from the General Fund to the Superintendent of Public  
6 Instruction, to the Controller, or to any other fund or state  
7 agency for the purpose of allocation to school districts.  
8 The full amount of any appropriation shall be included in  
9 the calculation of the percentage required by paragraph  
10 (1) of subdivision (b) of Article XVI, without regard to  
11 any unexpended balance of any appropriation. Any  
12 reappropriation of funds appropriated in any prior year  
13 shall not be included in the sum of appropriations.

14 (d) “General Fund revenues appropriated for  
15 community college districts,” as used in paragraph (1) of  
16 subdivision (b) of Section 8 of Article XVI of the  
17 California Constitution, means the sum of appropriations  
18 made that are for allocation to community college  
19 districts, regardless of whether those appropriations were  
20 made from the General Fund to the Controller, to the  
21 Chancellor of the California Community Colleges, or to  
22 any other fund or state agency for the purpose of  
23 allocation to community college districts. The full amount  
24 of any appropriation shall be included in the calculation  
25 of the percentage required by paragraph (1) of  
26 subdivision (b) of Article XVI, without regard to any  
27 unexpended balance of any appropriation. Any  
28 reappropriation of funds appropriated in any prior year  
29 shall not be included in the sum of appropriations.

30 (e) “Total allocations to school districts and  
31 community college districts from General Fund proceeds  
32 of taxes appropriated pursuant to Article XIII B,” as used  
33 in paragraph (2) or (3) of subdivision (b) of Section 8 of  
34 Article XVI of the California Constitution, means the sum  
35 of appropriations made that are for allocation to school  
36 districts, as defined in Section 41302.5, and community  
37 college districts, regardless of whether those  
38 appropriations were made from the General Fund to the  
39 Controller, to the Superintendent of Public Instruction,  
40 to the Chancellor of the California Community Colleges,





1 or to any other fund or state agency for the purpose of  
2 allocation to school districts and community college  
3 districts. The full amount of any appropriation shall be  
4 included in the calculation of the percentage required by  
5 paragraph (2) or (3) of subdivision (b) of Section 8 of  
6 Article XVI, without regard to any unexpended balance  
7 of any appropriation. Any reappropriation of funds  
8 appropriated in any prior year shall not be included in the  
9 sum of appropriations.

10 (f) "General Fund revenues appropriated for school  
11 districts and community college districts, respectively"  
12 and "moneys to be applied by the state for the support of  
13 school districts and community college districts," as used  
14 in Section 8 of Article XVI of the California Constitution,  
15 shall include funds appropriated for the Child Care and  
16 Development Services Act pursuant to Chapter 2  
17 (commencing with Section 8200) of Part 6 and shall not  
18 include any of the following:

19 (1) Any appropriation that is not made for allocation  
20 to a school district, as defined in Section 41302.5, or to a  
21 community college district regardless of whether the  
22 appropriation is made for any purpose that may be  
23 considered to be for the benefit to a school district, as  
24 defined in Section 41302.5, or a community college  
25 district. This paragraph shall not be construed to exclude  
26 any funding appropriated for the Child Care and  
27 Development Services Act pursuant to Chapter 2  
28 (commencing with Section 8200) of Part 6.

29 (2) Any appropriation made to the Teachers'  
30 Retirement Fund or to the Public Employees'  
31 Retirement Fund except those appropriations for  
32 reimbursable state mandates imposed on or before  
33 January 1, 1988.

34 (3) Any appropriation made to service any public debt  
35 approved by the voters of this state.

36 (g) "Allocated local proceeds of taxes," as used in  
37 paragraph (2) or (3) of subdivision (b) of Section 8 of  
38 Article XVI of the California Constitution, means, for  
39 school districts as defined, those local revenues, except  
40 revenues identified pursuant to paragraph (5) of

1 subdivision (h) of Section 42238, that are used to offset  
2 state aid for school districts in calculations performed  
3 pursuant to Sections 2558, 42238, and Chapter 7.2  
4 (commencing with Section 56836) of Part 30.

5 (h) “Allocated local proceeds of taxes,” as used in  
6 paragraph (2) or (3) of subdivision (b) of Section 8 of  
7 Article XVI of the California Constitution, means, for  
8 community college districts, those local revenues that are  
9 used to offset state aid for community college districts in  
10 calculations performed pursuant to Section 84700. In no  
11 event shall the revenues or receipts derived from student  
12 fees be considered “allocated local proceeds of taxes.”

13 (i) For the purposes of calculating the 4 percent  
14 entitlement pursuant to subdivision (a) of Section 8.5 of  
15 Article XVI of the California Constitution, “the total  
16 amount required pursuant to Section 8(b)” shall mean  
17 the General Fund aid required for schools pursuant to  
18 subdivision (b) of Section 8 of Article XVI of the  
19 California Constitution, and shall not include allocated  
20 local proceeds of taxes.

21 SEC. 12. Section 41601 of the Education Code is  
22 amended to read:

23 41601. For the purposes of this chapter, the governing  
24 board of each school district shall report to the  
25 Superintendent of Public Instruction during each fiscal  
26 year the average daily attendance of the district for all full  
27 school months during (1) the period between July 1 and  
28 December 31, inclusive, to be known as the “first period”  
29 report for the first principal apportionment, and (2) the  
30 period between July 1 and April 15, inclusive, to be known  
31 as the “second period” report for the second principal  
32 apportionment. Each county superintendent of schools  
33 shall report the average daily attendance for the schools  
34 and classes maintained by him or her and the average  
35 daily attendance for the county school tuition fund.

36 Each report shall be prepared in accordance with  
37 instructions on forms prescribed and furnished by the  
38 Superintendent of Public Instruction. Average daily  
39 attendance shall be computed in the following manner:

1 (a) The average daily attendance in the regular  
2 elementary, middle, and high schools, including  
3 continuation schools and classes, opportunity schools and  
4 classes, and special day classes, maintained by the school  
5 districts shall be determined by dividing the total number  
6 of days of attendance allowed in all full school months in  
7 each period by the number of days the schools are  
8 actually taught in all full school months in each period,  
9 exclusive of Saturdays or Sundays and exclusive of  
10 weekend makeup classes pursuant to Section 37223.

11 (b) The attendance for schools and classes maintained  
12 by a county superintendent of schools and the county  
13 school tuition fund shall be reported in the same manner  
14 as reported by school districts. The average daily  
15 attendance in special education classes operated by  
16 county superintendents of schools shall be determined in  
17 the same manner as all other attendance under  
18 subdivision (a). The average daily attendance in all other  
19 schools and classes maintained by the county  
20 superintendents of schools shall be determined by  
21 dividing the total number of days of attendance in all full  
22 school months in the first period by a divisor of 70, in the  
23 second period by 135 and at annual time by 175. For  
24 attendance in special classes and centers pursuant to  
25 Section 56364 or Section ~~56364.5~~ 56364.6, as applicable, the  
26 average daily attendance shall be reported by the county  
27 superintendents of schools, but credited for revenue limit  
28 purposes to the district in which the pupil resides.

29 (c) The days of attendance in classes for adults and  
30 regional occupational centers programs shall be reported  
31 in the same manner as all other attendance under  
32 subdivision (a). The average daily attendance in those  
33 schools and classes shall be determined by dividing the  
34 total number of days of attendance in all full school  
35 months in the first period by a divisor of 85 in the second  
36 period by 135 and at annual time by 175.

37 SEC. 13. Section 41972 of the Education Code is  
38 amended to read:

39 41972. Balances available from any appropriation for  
40 apportionments from Section A of the State School Fund

1 and funds provided by subdivision (c) of Section 14002,  
2 or provided by any other provision of law in lieu of those  
3 sections, shall be used to restore any reductions in  
4 apportionments to elementary, high, and unified school  
5 districts and county superintendents of schools as follows:

6 (a) First, for revenue limits computed pursuant to  
7 Sections 2558 and 42238.

8 (b) Second, for special education computed pursuant  
9 to Chapter 7.2 (commencing with Section 56836) of Part  
10 30.

11 (c) Third, for home-to-school transportation  
12 computed pursuant to Section 41856 or, commencing  
13 with the 1984–85 fiscal year, Article 10 (commencing with  
14 Section 41850) of Chapter 8.

15 Any remaining balances otherwise transferable under  
16 subdivisions (b) and (c) of Section 14002 shall revert to  
17 the General Fund.

18 SEC. 14. Section 42129 of the Education Code is  
19 amended to read:

20 42129. School districts and county offices of education  
21 shall transmit to the State Department of Education, on  
22 a timely basis, all budget reports, prior year expenditure  
23 reports, qualified and negative financial status reports,  
24 program cost accounting reports, certifications, and audit  
25 reports as prescribed by subdivision (j) of Section 1240,  
26 subdivision (g) of Section 35035, Sections 1621, 1623,  
27 35014, 41020, 42127, and Chapter 7.2 (commencing with  
28 Section 56836) of Part 30, and those reports used to  
29 calculate the first, second, and annual principal  
30 apportionments and special purpose apportionments for  
31 school districts and county offices of education. In the  
32 event that the reports are not submitted to the  
33 Superintendent of Public Instruction within 14 days after  
34 the submission date prescribed in the statute or specified  
35 by the Superintendent of Public Instruction, the  
36 Superintendent of Public Instruction may direct the  
37 county auditor to withhold payment of any stipend,  
38 expenses, or salaries to the district superintendent,  
39 county superintendent, or members of the governing  
40 boards, as appropriate. The withholding shall continue

1 only until the delinquent reports have been submitted to  
2 the State Department of Education. If the county  
3 superintendent performs the functions of the county  
4 auditor, the Superintendent of Public Instruction may  
5 direct the county superintendent to withhold the  
6 payments specified in this section.

7 SEC. 15. Section 46200.5 of the Education Code is  
8 amended to read:

9 46200.5. (a) In the 1985–86 fiscal year, for each  
10 county office of education that certifies to the  
11 Superintendent of Public Instruction that it offers 180  
12 days or more of instruction per school year of special day  
13 classes pursuant to Section 56364 or Section ~~56364.5~~  
14 56364.6, as applicable, the Superintendent of Public  
15 Instruction shall determine an amount equal to seventy  
16 dollars (\$70) per unit of current year second principal  
17 apportionment average daily attendance for special day  
18 classes. This computation shall be included in  
19 computations made by the superintendent pursuant to  
20 Chapter 7.2 (commencing with Section 56836) of Part 30.

21 (b) For any county office of education that received an  
22 apportionment pursuant to subdivision (a), that offers  
23 less than 180 days of instruction in the 1986–87 year or any  
24 fiscal year thereafter, and that does not provide the  
25 minimum number of instructional minutes specified in  
26 subdivision (a) of Section 46201.5 for that fiscal year, the  
27 Superintendent of Public Instruction shall reduce the  
28 special education apportionment per unit of average  
29 daily attendance for that fiscal year by an amount  
30 attributable to the increase received pursuant to  
31 subdivision (a), as adjusted in fiscal years subsequent to  
32 the 1985–86 fiscal year.

33 SEC. 16. Section 46201.5 of the Education Code is  
34 amended to read:

35 46201.5. (a) In each of the 1985–86 and 1986–87 fiscal  
36 years, for each county office of education that certifies to  
37 the Superintendent of Public Instruction that, for special  
38 day classes pursuant to Section 56364 or Section ~~56364.5~~  
39 56364.6, as applicable, it offers at least the amount of  
40 instructional time specified in this subdivision, the

1 Superintendent of Public Instruction shall determine an  
2 amount equal to eighty dollars (\$80) in the 1985–86 fiscal  
3 year and forty dollars (\$40) in the 1986–87 fiscal year per  
4 unit of current year second principal apportionment  
5 average daily attendance for special day classes in  
6 kindergarten and grades 1 to 8, inclusive, and one  
7 hundred sixty dollars (\$160) in the 1985 –86 fiscal year and  
8 eighty dollars (\$80) in the 1986–87 fiscal year per unit of  
9 current year second principal apportionment average  
10 daily attendance for special day classes in grades 9 to 12,  
11 inclusive.

12 This computation shall be included in computations  
13 made by the superintendent pursuant to Article 2  
14 (commencing with Section 56836.06) of Chapter 7.2 of  
15 Part 30.

16 (1) In the 1985–86 fiscal year:

17 (A) 34,500 minutes in kindergarten.

18 (B) 47,016 minutes in grades 1 to 3, inclusive.

19 (C) 50,000 minutes in grades 4 to 8, inclusive.

20 (D) 57,200 minutes in grades 9 to 12, inclusive.

21 (2) In the 1986–87 fiscal year:

22 (A) 36,000 minutes in kindergarten.

23 (B) 50,400 minutes in grades 1 to 3, inclusive.

24 (C) 54,000 minutes in grades 4 to 8, inclusive.

25 (D) 64,800 minutes in grades 9 to 12, inclusive.

26 (b) Each county office of education that receives an  
27 apportionment pursuant to subdivision (a) in a fiscal year  
28 shall, in the subsequent fiscal year, add the amount  
29 received per pupil to the county office's base special  
30 education apportionment.

31 (c) For each county office of education that receives  
32 an apportionment pursuant to subdivision (a) in the  
33 1985–86 fiscal year, and that reduces the amount of  
34 instructional time offered below the minimum amounts  
35 specified in paragraph (1) of subdivision (a) in the  
36 1986–87 fiscal year, or any fiscal year thereafter, the  
37 Superintendent of Public Instruction shall reduce the  
38 special education apportionment for the fiscal year in  
39 which the reduction occurs by an amount attributable to  
40 the increase in the 1986–87 fiscal year special education

1 apportionment pursuant to subdivision (b), as adjusted in  
2 the 1986–87 fiscal year and fiscal years thereafter.

3 For each county office of education that receives an  
4 apportionment pursuant to subdivision (a) in the 1986–87  
5 fiscal year, and that reduces the amount of instructional  
6 time offered below the minimum amounts specified in  
7 paragraph (2) of subdivision (a) in the 1987–88 fiscal year,  
8 or any fiscal year thereafter, the superintendent shall  
9 reduce the special education apportionment for the fiscal  
10 year in which the reduction occurs by an amount  
11 attributable to the increase in the 1987–88 fiscal year  
12 special education apportionment pursuant to subdivision  
13 (b), as adjusted in the 1987–88 fiscal year and fiscal years  
14 thereafter.

15 SEC. 17. Section 54732 of the Education Code is  
16 amended to read:

17 54732. If a school district and school choose to include  
18 with programs operated pursuant to this article funds  
19 allocated pursuant to Chapter 7.2 (commencing with  
20 Section 56836) of Part 30, the school district shall ~~comply~~  
21 ~~with the procedural safeguards afforded individuals with~~  
22 ~~exceptional needs.~~ *continue to meet the requirements*  
23 *provided for in the federal Individuals with Disabilities*  
24 *Education Act (20 U.S.C. Sec. 1400 et seq.).*

25 SEC. 18. Section 56027 of the Education Code is  
26 amended to read:

27 56027. “Local plan” means a plan that meets the  
28 requirements of Chapter 3 (commencing with Section  
29 56200) or Article 1.1 (commencing with Section 56205) of  
30 Chapter 3 and that is submitted by a special education  
31 local plan area.

32 ~~SEC. 19. Section 56044 is added to the Education~~  
33 ~~Code, to read:~~

34 ~~56044. The department shall include in its budget~~  
35 ~~sufficient funds to make apportionments under this part~~  
36 ~~and an amount sufficient for the administration by the~~  
37 ~~department of the provisions of this part.~~

38 ~~SEC. 20. Section 56046 is added to the Education~~  
39 ~~Code, to read:~~

~~56046. The department shall continuously monitor and review all special education programs approved under this part to assure that all funds appropriated to special education local plan areas under this part are expended for the purposes intended.~~

~~SEC. 21. Section 56047 is added to the Education Code, to read:~~

~~56047. Funds apportioned to special education local plan areas pursuant to this part shall be expended exclusively for programs operated under this part.~~

~~SEC. 22.—~~

~~SEC. 19. Section 56048 is added to the Education Code, to read:~~

~~56048. The superintendent shall review the information and calculations submitted by special education local plan areas in support of all apportionment computations described in this part. The review shall be conducted on the data submitted during the initial year of apportionment and for the first succeeding fiscal year only. Adjustments to any year's apportionment shall be received by the superintendent from the special education local plan area prior to the end of the first fiscal year following the fiscal year to be adjusted. The superintendent shall consider and adjust only the information and computational factors originally established during an eligible fiscal year, if the superintendent's review determines that they are correct.~~

~~SEC. 23.—~~

~~SEC. 20. Section 56131 of the Education Code is amended to read:~~

~~56131. The superintendent shall apportion funds in accordance with Chapter 7.2 (commencing with Section 56836) and approved local plans.~~

~~SEC. 24.—~~

~~SEC. 21. Section 56132 of the Education Code is amended to read:~~

~~56132. The superintendent shall assist districts, county offices, and special education local plan areas in the improvement and evaluation of their programs.~~



~~SEC. 25.—~~

SEC. 22. Section 56136 of the Education Code is amended to read:

56136. The superintendent shall develop guidelines for each low incidence disability area and provide technical assistance to parents, teachers, and administrators regarding the implementation of the guidelines. The guidelines shall clarify the identification, assessment, planning of, and the provision of, specialized services to pupils with low incidence disabilities. The superintendent shall consider the guidelines when monitoring programs serving pupils with low incidence disabilities pursuant to *subdivision (a) of* Section 56836.04. The adopted guidelines shall be promulgated for the purpose of establishing recommended guidelines and shall not operate to impose minimum state requirements.

~~SEC. 26.—~~

SEC. 23. Section 56155.5 of the Education Code is amended to read:

56155.5. (a) As used in this article, “licensed children’s institution” means a residential facility that is licensed by the state, or other public agency having delegated authority by contract with the state to license, to provide nonmedical care to children, including, but not limited to, individuals with exceptional needs. “Licensed children’s institution” includes a group home as defined by subdivision (a) of Section 80001 of Title 22 of the California Code of Regulations. As used in this article and Article 3 (commencing with Section 56836.16) of Chapter 7.2), a “licensed children’s institution” does not include any of the following:

(1) A juvenile court school, juvenile hall, juvenile home, day center, juvenile ranch, or juvenile camp administered pursuant to Article 2 (commencing with Section 48645) of Chapter 4 of Part 27.

(2) A county community school program provided pursuant to Section 1981.

(3) Any special education programs provided pursuant to Section 56150.

1 (4) Any other public agency.

2 (b) As used in this article, “foster family home” means  
3 a family residence that is licensed by the state, or other  
4 public agency having delegated authority by contract  
5 with the state to license, to provide 24-hour nonmedical  
6 care and supervision for not more than six foster children,  
7 including, but not limited to, individuals with exceptional  
8 needs. “Foster family home” includes a small family  
9 home as defined in paragraph (6) of subdivision (a) of  
10 Section 1502 of the Health and Safety Code.

11 ~~SEC. 27.~~—

12 *SEC. 24. Section 56156.4 is added to the Education*  
13 *Code, to read:*

14 *56156.4. (a) Each special education local plan area*  
15 *shall be responsible for providing appropriate education*  
16 *to individuals with exceptional needs residing in licensed*  
17 *children’s institutions and foster family homes located in*  
18 *the geographical area covered by the local plan.*

19 *(b) In multidistrict and district and county office local*  
20 *plan areas, local written agreements shall be developed,*  
21 *pursuant to subdivision (f) of Section 56195.7, to identify*  
22 *the public education entities that will provide the special*  
23 *education services.*

24 *(c) If there is no local agreement, special education*  
25 *services for individuals with exceptional needs residing in*  
26 *licensed children’s institutions shall be the responsibility*  
27 *of the county office in the county in which the institution*  
28 *is located, if the county office is part of the special*  
29 *education local plan area, and special education services*  
30 *for individuals with exceptional needs residing in foster*  
31 *family homes shall be the responsibility of the district in*  
32 *which the foster family home is located. If a county office*  
33 *is not a part of the special education local plan area,*  
34 *special education services for individuals with*  
35 *exceptional needs residing in licensed children’s*  
36 *institutions, pursuant to this subdivision, shall be the*  
37 *responsibility of the responsible local agency or other*  
38 *administrative entity of the special education local plan*  
39 *area. This program responsibility shall continue until the*

1 *time local written agreements are developed pursuant to*  
2 *subdivision (f) of Section 56195.7.*

3 *(d) This section shall apply to special education local*  
4 *plan areas that are submitting a revised local plan for*  
5 *approval pursuant to Section 56836.03 or that have an*  
6 *approved revised local plan pursuant to Section 56836.03.*

7 SEC. 25. Section 56156.5 of the Education Code is  
8 amended to read:

9 56156.5. (a) Each district, special education local  
10 plan area, or county office shall be responsible for  
11 providing appropriate education to individuals with  
12 exceptional needs residing in licensed children's  
13 institutions and foster family homes located in the  
14 geographical area covered by the local plan.

15 (b) In multidistrict and district and county office local  
16 plan areas, local written agreements shall be developed,  
17 pursuant to subdivision (f) of Section 56195.7, to identify  
18 the public education entities that will provide the special  
19 education services.

20 (c) If there is no local agreement, special education  
21 services for individuals with exceptional needs residing in  
22 licensed children's institutions shall be the responsibility  
23 of the county office in the county in which the institution  
24 is located, if the county office is part of the special  
25 education local plan area, and special education services  
26 for individuals with exceptional needs residing in foster  
27 family homes shall be the responsibility of the district in  
28 which the foster family home is located. If a county office  
29 is not a part of the special education local plan area,  
30 special education services for individuals with  
31 exceptional needs residing in licensed children's  
32 institutions, pursuant to this subdivision, shall be the  
33 responsibility of the responsible local agency or other  
34 administrative entity of the special education local plan  
35 area. This program responsibility shall continue until the  
36 time local written agreements are developed pursuant to  
37 subdivision (f) of Section 56195.7.

38 (d) This section shall not apply to any special  
39 education local plan area that has a revised local plan  
40 approved pursuant to Section 56836.03. This section shall

1 apply to special education local plan areas that have not  
2 had a revised local plan approved pursuant to that  
3 section.

4 (e) This section shall become inoperative on July 1,  
5 2003, and, as of January 1, 2004, is repealed, unless a later  
6 enacted statute, that becomes operative on or before  
7 January 1, 2004, deletes or extends the date on which it  
8 becomes inoperative and is repealed.

9 ~~SEC. 28. Section 56156.5 is added to the Education~~  
10 ~~Code, to read:~~

11 ~~56156.5. (a) Each special education local plan area~~  
12 ~~shall be responsible for providing appropriate education~~  
13 ~~to individuals with exceptional needs residing in licensed~~  
14 ~~children's institutions and foster family homes located in~~  
15 ~~the geographical area covered by the local plan.~~

16 ~~(b) In multidistrict and district and county office local~~  
17 ~~plan areas, local written agreements shall be developed,~~  
18 ~~pursuant to subdivision (f) of Section 56195.7, to identify~~  
19 ~~the public education entities that will provide the special~~  
20 ~~education services.~~

21 ~~(c) If there is no local agreement, special education~~  
22 ~~services for individuals with exceptional needs residing in~~  
23 ~~licensed children's institutions shall be the responsibility~~  
24 ~~of the county office in the county in which the institution~~  
25 ~~is located, if the county office is part of the special~~  
26 ~~education local plan area, and special education services~~  
27 ~~for individuals with exceptional needs residing in foster~~  
28 ~~family homes shall be the responsibility of the district in~~  
29 ~~which the foster family home is located. If a county office~~  
30 ~~is not a part of the special education local plan area,~~  
31 ~~special education services for individuals with~~  
32 ~~exceptional needs residing in licensed children's~~  
33 ~~institutions, pursuant to this subdivision, shall be the~~  
34 ~~responsibility of the responsible local agency or other~~  
35 ~~administrative entity of the special education local plan~~  
36 ~~area. This program responsibility shall continue until the~~  
37 ~~time local written agreements are developed pursuant to~~  
38 ~~subdivision (f) of Section 56195.7.~~

39 ~~(d) This section shall apply to special education local~~  
40 ~~plan areas that are submitting a revised local plan for~~

1 ~~approval pursuant to Section 56836.03 or that have an~~  
2 ~~approved revised local plan pursuant to Section 56836.03.~~

3 ~~SEC. 29.—~~

4 *SEC. 26.* Section 56156.6 of the Education Code is  
5 amended to read:

6 56156.6. If the district in which the licensed children's  
7 institution or foster family home is located is also the  
8 district of residence of the parent of the individual with  
9 exceptional needs, and if the parent retains legal  
10 responsibility for the child's education, ~~Section~~ *Sections*  
11 ~~56836.16 and 56836.17~~ shall not apply.

12 ~~SEC. 30.—~~

13 *SEC. 27.* Section 56160 of the Education Code is  
14 repealed.

15 ~~SEC. 31.—~~

16 *SEC. 28.* Section 56161 of the Education Code is  
17 repealed.

18 ~~SEC. 32.—~~

19 *SEC. 29.* Section 56169 of the Education Code is  
20 repealed.

21 ~~SEC. 33.—~~

22 *SEC. 30.* Section 56200 of the Education Code is  
23 amended to read:

24 56200. Each local plan submitted to the  
25 superintendent under this part shall contain all the  
26 following:

27 (a) Compliance assurances, including general  
28 compliance with the Individuals with Disabilities  
29 Education Act (20 U.S.C. Sec. 1400 et seq.), Section 504 of  
30 the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), and  
31 this part.

32 (b) A description of services to be provided by each  
33 district and county office. This description shall  
34 demonstrate that all individuals with exceptional needs  
35 shall have access to services and instruction appropriate  
36 to meet their needs as specified in their individualized  
37 education programs.

38 (c) (1) A description of the governance and  
39 administration of the plan, including the role of county  
40 office and district governing board members.

1 (2) Multidistrict plans, submitted pursuant to  
2 subdivision (b) or (c) of Section 56195.1, shall specify the  
3 responsibilities of each participating county office and  
4 district governing board in the policymaking process, the  
5 responsibilities of the superintendents of each  
6 participating district and county in the implementation  
7 of the plan, and the responsibilities of district and county  
8 administrators of special education in coordinating the  
9 administration of the local plan.

10 (d) Copies of joint powers agreements or contractual  
11 agreements, as appropriate, for districts and counties that  
12 elect to enter into those agreements pursuant to  
13 subdivision (b) or (c) of Section 56170.

14 (e) An annual budget plan to allocate instructional  
15 personnel service units, support services, and  
16 transportation services directly to entities operating  
17 those services and to allocate regionalized services funds  
18 to the county office, responsible local agency, or other  
19 alternative administrative structure. The annual budget  
20 plan shall be adopted at a public hearing held by the  
21 district, special education local plan area, or county office,  
22 as appropriate. Notice of this hearing shall be posted in  
23 each school in the local plan area at least 15 days prior to  
24 the hearing. The annual budget plan may be revised  
25 during the fiscal year, and these revisions may be  
26 submitted to the superintendent as amendments to the  
27 allocations set forth in the plan. However, the revisions  
28 shall, prior to submission to the superintendent, be  
29 approved according to the policymaking process,  
30 established pursuant to paragraph (2) of subdivision (c).

31 (f) Verification that the plan has been reviewed by the  
32 community advisory committee and that the committee  
33 had at least 30 days to conduct this review prior to  
34 submission of the plan to the superintendent.

35 (g) A description of the identification, referral,  
36 assessment, instructional planning, implementation, and  
37 review in compliance with Chapter 4 (commencing with  
38 Section 56300).

39 (h) A description of the process being utilized to meet  
40 the requirements of Section 56303.

(i) A description of the process being utilized to meet the requirements of the California Early Intervention Services Act, Title 14 (commencing with Section 95000) of the Government Code.

~~SEC. 34.~~

*SEC. 31.* Section 56205 of the Education Code is amended to read:

56205. Each special education local plan area shall submit a local plan to the superintendent under this part. The local plan shall contain all the following:

(a) Compliance assurances, including general compliance with the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794), the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), federal regulations relating thereto, and this part.

(b) (1) A description of the governance and administration of the plan, including identification of the governing body of a multidistrict plan or the individual responsible for administration in a single district plan, and a description of the elected officials to whom the governing body or individual is responsible.

(2) A description of the regionalized operations and services listed in Section 56836.23 and the direct instructional support provided by program specialists in accordance with Section 56368 to be provided through the plan.

(3) Multidistrict plans, submitted pursuant to subdivision (b) or (c) of Section 56195.1, shall specify the responsibilities of each participating county office and district governing board in the policymaking process, the responsibilities of the superintendents of each participating district and county in the implementation of the plan, and the responsibilities of district and county administrators of special education in coordinating the administration of the local plan.

(4) Multidistrict plans, submitted pursuant to subdivision (b) or (c) of Section 56195.1, shall identify the respective roles of the administrative unit and the

1 administrator of the special education local plan area and  
2 the individual local education agencies within the special  
3 education local plan area in relation to the following:

4 (A) The hiring, supervision, evaluation, and discipline  
5 of the administrator of the special education local plan  
6 area and staff employed by the administrative unit in  
7 support of the local plan.

8 (B) The allocation from the state of federal and state  
9 funds to the special education local plan area or to local  
10 education agencies within the special education local  
11 plan area.

12 (C) The operation of special education programs.

13 (D) Monitoring the appropriate use of federal, state,  
14 and local funds allocated for special education programs.

15 (E) The preparation of program and fiscal reports  
16 required of the special education local plan area by the  
17 state.

18 (5) The description of the governance and  
19 administration of the plan, and the policymaking process,  
20 shall be consistent with subdivision (f) of Section 56001,  
21 subdivision (a) of Section 56195.3, and Section 56195.9 and  
22 shall reflect a schedule of regular consultations regarding  
23 policy and budget development with representatives of  
24 special and regular teachers and administrators selected  
25 by the groups they represent and parent members of the  
26 community advisory committee established pursuant to  
27 Article 7 (commencing with Section 56190) of Chapter 2.

28 (c) A description of the method by which members of  
29 the public, including parents or guardians of individuals  
30 with exceptional needs who are receiving services under  
31 the plan, may address questions or concerns to the  
32 governing body or individual identified in paragraph (1)  
33 of subdivision (b).

34 (d) A description of an alternative resolution process,  
35 including mediation and final and binding arbitration to  
36 resolve disputes over the distribution of funding, the  
37 responsibility for service provision, and other activities  
38 specified within the plan. Any arbitration shall be  
39 conducted by the department.





1 (e) Copies of joint powers agreements or contractual  
2 agreements, as appropriate, for districts and counties that  
3 elect to enter into those agreements pursuant to  
4 subdivision (b) or (c) of Section 56195.1.

5 (f) An annual budget allocation plan that shall be  
6 adopted at a public hearing held by the special education  
7 local plan area. Notice of this hearing shall be posted in  
8 each school in the local plan area at least 15 days prior to  
9 the hearing. The annual budget allocation plan may be  
10 revised during any fiscal year, and these revisions may be  
11 submitted to the superintendent as amendments to the  
12 allocations set forth in the local plan. However, the  
13 revisions shall, prior to submission to the superintendent,  
14 be approved according to the policymaking process  
15 established pursuant to paragraph (3) of subdivision (b)  
16 and consistent with subdivision (f) of Section 56001 and  
17 Section 56195.9. The annual budget plan shall separately  
18 identify the allocations for all of the following:

19 (1) Funds received in accordance with Chapter 7.2  
20 (commencing with Section 56836).

21 (2) Administrative costs of the plan.

22 (3) Special education services to pupils with severe  
23 disabilities and low incidence disabilities.

24 (4) Special education services to pupils with  
25 nonsevere disabilities.

26 (5) Supplemental aids and services to meet the  
27 individual needs of pupils placed in regular education  
28 classrooms and environments.

29 (6) Regionalized operations and services, and direct  
30 instructional support by program specialists in  
31 accordance with Article 6 (commencing with Section  
32 56836.23) of Chapter 7.2.

33 (7) The use of property taxes allocated to the special  
34 education local plan area pursuant to Section 2572.

35 (g) An annual service plan shall be adopted at a public  
36 hearing held by the special education local plan area.  
37 Notice of this hearing shall be posted in each school in the  
38 special education local plan area at least 15 days prior to  
39 the hearing. The annual service plan may be revised  
40 during any fiscal year, and these revisions may be

1 submitted to the superintendent as amendments to the  
2 plan. However, the revisions shall, prior to submission to  
3 the superintendent, be approved according to the  
4 policymaking process established pursuant to paragraph  
5 (3) of subdivision (b) and consistent with subdivision (f)  
6 of Section 56001 and Section 56195.9. The annual service  
7 plan shall include a description of services to be provided  
8 by each district and county office, including the nature of  
9 the services and the location at which the services will be  
10 provided, including alternative schools, charter schools,  
11 opportunity schools and classes, community day schools  
12 operated by school districts, community schools operated  
13 by county offices of education, and juvenile court schools  
14 regardless of whether the district or county office of  
15 education is participating in the local plan. This  
16 description shall demonstrate that all individuals with  
17 exceptional needs shall have access to services and  
18 instruction appropriate to meet their needs as specified  
19 in their individualized education programs.

20 (h) Verification that the plan has been reviewed by  
21 the community advisory committee and that the  
22 committee had at least 30 days to conduct this review  
23 prior to submission of the plan to the superintendent.

24 (i) A description of the identification, referral,  
25 assessment, instructional planning, implementation, and  
26 review in compliance with Chapter 4 (commencing with  
27 Section 56300).

28 (j) A description of the process being utilized to meet  
29 the requirements of Section 56303.

30 (k) A description of the process being utilized to meet  
31 the requirements of the California Early Intervention  
32 Services Act, Title 14 (commencing with Section 95000)  
33 of the Government Code.

34 (l) The local plan, budget allocation plan, and annual  
35 service plan shall be written in language that is  
36 understandable to the general public.

37 ~~SEC. 35.—~~

38 *SEC. 32. Section 56207 of the Education Code is*  
39 *amended to read:*

1 56207. (a) No educational programs and services  
2 already in operation in school districts or a county office  
3 of education pursuant to Part 30 (commencing with  
4 Section 56000) shall be transferred to another school  
5 district or a county office of education or from a county  
6 office of education to a school district unless the special  
7 education local plan area has developed a plan for the  
8 transfer which addresses, at a minimum, all of the  
9 following:

10 (1) Pupil needs.

11 (2) The availability of the full continuum of services to  
12 affected pupils.

13 (3) The functional continuation of the current  
14 individualized education programs of all affected pupils.

15 (4) The provision of services in the least restrictive  
16 environment from which affected pupils can benefit.

17 (5) The maintenance of all appropriate support  
18 services.

19 (6) The assurance that there will be compliance with  
20 all federal and state laws and regulations and special  
21 education local plan area policies.

22 (7) The means through which parents and staff were  
23 represented in the planning process.

24 (b) The date on which the transfer will take effect may  
25 be no earlier than the first day of the second fiscal year  
26 beginning after the date on which the sending or  
27 receiving agency has informed the other agency and the  
28 governing body or individual identified in paragraph (1)  
29 of subdivision (b) of Section 56205, unless the governing  
30 body or individual identified in paragraph (1) of  
31 subdivision (b) of Section 56205 unanimously approves  
32 the transfer taking effect on the first day of the first fiscal  
33 year following that date.

34 (c) If either the sending or receiving agency disagree  
35 with the proposed transfer, the matter shall be resolved  
36 by the alternative resolution process established pursuant  
37 to subdivision (d) of Section 56205.

38 *(d) Notwithstanding Section 56208, this section shall*  
39 *apply to all special education local plan areas*  
40 *commencing on July 1, 1998, whether or not a special*

1 *education local plan area has submitted a revised local*  
2 *plan for approval or has an approved revised local plan*  
3 *pursuant to Section 56836.03.*

4 SEC. 33. Section 56361 of the Education Code is  
5 amended to read:

6 56361. The continuum of program options shall  
7 include, but not necessarily be limited to, all of the  
8 following or any combination of the following:

9 (a) Regular education programs consistent with  
10 subparagraph (B) of paragraph (5) of Section 1412 and  
11 clause (iv) of subparagraph (C) of paragraph (1) of  
12 subsection (a) of Section 1414 of Title 20 of the United  
13 States Code and implementing regulations.

14 (b) A resource specialist program pursuant to Section  
15 56362.

16 (c) Designated instruction and services pursuant to  
17 Section 56363.

18 (d) Special classes and centers pursuant to Section  
19 56364 or Section ~~56364.5~~ 56364.6, as applicable.

20 (e) Nonpublic, nonsectarian school services pursuant  
21 to Section 56365.

22 (f) State special schools pursuant to Section 56367.

23 (g) Instruction in settings other than classrooms  
24 where specially designed instruction may occur.

25 (h) Itinerant instruction in classrooms, resource  
26 rooms, and settings other than classrooms where specially  
27 designed instruction may occur to the extent required by  
28 federal law or regulation.

29 (i) Instruction using telecommunication, and  
30 instruction in the home, in hospitals, and in other  
31 institutions to the extent required by federal law or  
32 regulation.

33 ~~SEC. 36.—~~

34 SEC. 34. Section 56364.1 of the Education Code is  
35 amended to read:

36 56364.1. Notwithstanding the provisions of Section  
37 56364 or Section ~~56364.5~~ 56364.6, as applicable, pupils  
38 with low incidence disabilities may receive all or a portion  
39 of their instruction in the regular classroom and may also  
40 be enrolled in special classes taught by appropriately

1 credentialed teachers who serve these pupils at one or  
2 more school sites. The instruction shall be provided in a  
3 manner which is consistent with the guidelines adopted  
4 pursuant to Section 56136 and in accordance with the  
5 individualized education program.

6 ~~SEC. 37.—~~

7 *SEC. 35. Section 56364.5 of the Education Code, as*  
8 *added by Chapter 854 of the Statutes of 1997, is amended*  
9 *and renumbered to read:*

10 ~~56364.5.~~

11 56364.6. (a) Special classes and centers that enroll  
12 pupils with similar and more intensive educational needs  
13 shall be available. The classes and centers shall enroll  
14 pupils when the nature or severity of the disability  
15 precludes their participation in the regular school  
16 program for all or significant portions of a schoolday.  
17 Special classes and centers and other removal of  
18 individuals with exceptional needs from the regular  
19 education environment shall occur only when education  
20 in regular classes with the use of supplementary aids and  
21 services cannot be achieved satisfactorily due to the  
22 nature or severity of the exceptional needs.

23 (b) In providing or arranging for the provision of  
24 activities, each public agency shall ensure that each  
25 individual with exceptional needs participates in those  
26 activities with nondisabled pupils to the maximum extent  
27 appropriate to the needs of the individual with  
28 exceptional needs, including nonacademic and  
29 extracurricular services and activities. Special classes and  
30 centers shall meet standards adopted by the board.

31 (c) This section shall only apply to special education  
32 local plan areas that have had a revised local plan  
33 approved pursuant to Section 56836.03.

34 *SEC. 36. Section 56365 of the Education Code is*  
35 *amended to read:*

36 56365. (a) Nonpublic, nonsectarian school services,  
37 including services by nonpublic, nonsectarian agencies  
38 shall be available. These services shall be provided  
39 pursuant to Section 56366 under contract with the  
40 district, special education local plan area, or county office

1 to provide the appropriate special educational facilities,  
2 special education, or designated instruction and services  
3 required by the individual with exceptional needs when  
4 no appropriate public education program is available.

5 (b) Pupils enrolled in nonpublic, nonsectarian schools  
6 and agencies under this section shall be deemed to be  
7 enrolled in public schools for all purposes of Chapter 4  
8 (commencing with Section 41600) of Part 24 and Section  
9 42238. The district, special education local plan area, or  
10 county office shall be eligible to receive allowances under  
11 Chapter 7.2 (commencing with Section 56836) for  
12 services that are provided to individuals with exceptional  
13 needs pursuant to the contract.

14 (c) If the state participates in the federal program of  
15 assistance for state-operated or state-supported programs  
16 for children with disabilities (P.L. 89-313, Sec. 6), pupils  
17 enrolled in nonpublic, nonsectarian schools shall be  
18 deemed to be enrolled in state-supported institutions for  
19 all purposes of that program and shall be eligible to  
20 receive allowances under Chapter 7.2 (commencing with  
21 Section 56836) for supplemental services provided to  
22 individuals with exceptional needs pursuant to a contract  
23 with a district, special education local plan area, or county  
24 office of education. In order to participate in the federal  
25 program, the state must find that participation will not  
26 result in any additional expenditures from the General  
27 Fund.

28 (d) The district, special education local plan area, or  
29 county office shall pay to the nonpublic, nonsectarian  
30 school or agency the full amount of the tuition for  
31 individuals with exceptional needs that are enrolled in  
32 programs provided by the nonpublic, nonsectarian school  
33 pursuant to the contract.

34 (e) Before contracting with a nonpublic, nonsectarian  
35 school or agency outside of this state, the district, special  
36 education local plan area, or county office shall document  
37 its efforts to utilize public schools or to locate an  
38 appropriate nonpublic, nonsectarian school or agency  
39 program, or both, within the state.

(f) If a district, special education local plan area, or county office places a pupil with a nonpublic, nonsectarian school or agency outside of this state, the pupil's individualized education program team shall submit a report to the superintendent within 15 days of the placement decision. The report shall include information about the special education and related services provided by the out-of-state program placement and the costs of the special education and related services provided, and shall indicate the efforts of the local educational agency to locate an appropriate public school or nonpublic, nonsectarian school or agency, or a combination thereof, within the state. The superintendent shall submit a report to the State Board of Education on all placements made outside of this state.

(g) If a school district, special education local plan area, or county office of education decides to place a pupil with a nonpublic, nonsectarian school or agency outside of this state, that local education agency shall indicate the anticipated date for the return of the pupil to a public or nonpublic, nonsectarian school or agency placement, or a combination thereof, located in the state and shall document efforts during the previous placement year to return the pupil.

(h) In addition to meeting the requirements of Section 56366.1, a nonpublic, nonsectarian school or agency that operates a program outside of this state shall be certified or licensed by that state to provide, respectively, special education and related services and designated instruction and related services to pupils under the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.).

(i) A nonpublic, nonsectarian school or agency that is located outside of this state is eligible for certification pursuant to Section 56366.1 only if a pupil is enrolled in a program operated by that school or agency pursuant to the recommendation of an individualized education program team in California, and if that pupil's parents or guardians reside in California.

~~SEC. 38.—~~

1     *SEC. 37.* Section 56365.5 of the Education Code is  
2     repealed.

3     ~~*SEC. 39.*~~

4     *SEC. 38.* Section 56366 of the Education Code is  
5     amended to read:

6     56366. It is the intent of the Legislature that the role  
7     of the nonpublic, nonsectarian school or agency shall be  
8     maintained and continued as an alternative special  
9     education service available to districts, special education  
10    local plan areas, county offices, and parents.

11    (a) The master contract for nonpublic, nonsectarian  
12    school or agency services shall be developed in  
13    accordance with the following provisions:

14    (1) The master contract shall specify the general  
15    administrative and financial agreements between the  
16    nonpublic, nonsectarian school or agency and the district,  
17    special education local plan area, or county office to  
18    provide the special education and designated instruction  
19    and services, as well as transportation specified in the  
20    pupil's individualized education program. The  
21    administrative provisions of the contract also shall  
22    include procedures for recordkeeping and  
23    documentation, and the maintenance of school records  
24    by the contracting district, special education local plan  
25    area, or county office to ensure that appropriate high  
26    school graduation credit is received by the pupil. The  
27    contract may allow for partial or full-time attendance at  
28    the nonpublic, nonsectarian school.

29    (2) The master contract shall include an individual  
30    services agreement for each pupil placed by a district,  
31    special education local plan area, or county office that will  
32    be negotiated for the length of time for which nonpublic,  
33    nonsectarian school or agency special education and  
34    designated instruction and services are specified in the  
35    pupil's individualized education program.

36    Changes in educational instruction, services, or  
37    placement provided under contract may only be made on  
38    the basis of revisions to the pupil's individualized  
39    education program.



1 At any time during the term of the contract or  
2 individual services agreement, the parent; nonpublic,  
3 nonsectarian school or agency; or district, special  
4 education local plan area, or county office may request a  
5 review of the pupil's individualized education program  
6 by the individualized education program team. Changes  
7 in the administrative or financial agreements of the  
8 master contract that do not alter the individual services  
9 agreement that outlines each pupil's educational  
10 instruction, services, or placement may be made at any  
11 time during the term of the contract as mutually agreed  
12 by the nonpublic, nonsectarian school or agency and the  
13 district, special education local plan area, or county office.

14 (3) The master contract or individual services  
15 agreement may be terminated for cause. The cause shall  
16 not be the availability of a public class initiated during the  
17 period of the contract unless the parent agrees to the  
18 transfer of the pupil to a public school program. To  
19 terminate the contract either party shall give 20 days'  
20 notice.

21 (4) The nonpublic, nonsectarian school or agency shall  
22 provide all services specified in the individualized  
23 education program, unless the nonpublic, nonsectarian  
24 school or agency and the district, special education local  
25 plan area, or county office agree otherwise in the contract  
26 or individualized services agreement.

27 (5) Related services provided pursuant to a nonpublic,  
28 nonsectarian agency master contract shall only be  
29 provided during the period of the child's regular or  
30 extended school year program, or both, unless otherwise  
31 specified by the pupil's individualized education  
32 program.

33 (6) The nonpublic, nonsectarian school or agency shall  
34 report attendance of pupils receiving special education  
35 and designated instruction and services as defined by  
36 Section 46307 for purposes of submitting a warrant for  
37 tuition to each contracting district, special education local  
38 plan area, or county office.

39 (b) The master contract or individual services  
40 agreement shall not include special education

1 transportation provided through the use of services or  
2 equipment owned, leased, or contracted by a district,  
3 special education local plan area, or county office for  
4 pupils enrolled in the nonpublic, nonsectarian school or  
5 agency unless provided directly or subcontracted by that  
6 nonpublic, nonsectarian school or agency.

7 The superintendent shall withhold 20 percent of the  
8 amount apportioned to a school district or county office  
9 for costs related to the provision of nonpublic,  
10 nonsectarian school or agency placements if the  
11 superintendent finds that the local education agency is in  
12 noncompliance with this subdivision. This amount shall  
13 be withheld from the apportionments in the fiscal year  
14 following the superintendent's finding of noncompliance.  
15 The superintendent shall take other appropriate actions  
16 to prevent noncompliant practices from occurring and  
17 report to the Legislature on those actions.

18 (c) (1) If the pupil is enrolled in the nonpublic,  
19 nonsectarian school or agency with the approval of the  
20 district, special education local plan area, or county office  
21 prior to agreement to a contract or individual services  
22 agreement, the district, special education local plan area,  
23 or county office shall issue a warrant, upon submission of  
24 an attendance report and claim, for an amount equal to  
25 the number of creditable days of attendance at the per  
26 diem tuition rate agreed upon prior to the enrollment of  
27 the pupil. This provision shall be allowed for 90 days  
28 during which time the contract shall be consummated.

29 (2) If after 60 days the master contract or individual  
30 services agreement has not been finalized as prescribed  
31 in paragraph (1) of subdivision (a), either party may  
32 appeal to the county superintendent of schools, if the  
33 county superintendent is not participating in the local  
34 plan involved in the nonpublic, nonsectarian school or  
35 agency contract, or the superintendent, if the county  
36 superintendent is participating in the local plan involved  
37 in the contract, to negotiate the contract. Within 30 days  
38 of receipt of this appeal, the county superintendent or the  
39 superintendent, or his or her designee, shall mediate the

1 formulation of a contract which shall be binding upon  
2 both parties.

3 (d) No master contract for special education and  
4 related services provided by a nonpublic, nonsectarian  
5 school or agency shall be authorized under this part  
6 unless the school or agency has been certified as meeting  
7 those standards relating to the required special education  
8 and specified related services and facilities for individuals  
9 with exceptional needs. The certification shall result in  
10 the school's or agency's receiving approval to educate  
11 pupils under this part for a period no longer than four  
12 years from the date of the approval.

13 (e) By September 30, 1998, the procedures, methods,  
14 and regulations for the purposes of contracting for  
15 nonpublic, nonsectarian school and agency services  
16 pursuant to this section and for reimbursement pursuant  
17 to Sections 56836.16 and 56836.20 shall be developed by  
18 the superintendent in consultation with statewide  
19 organizations representing providers of special education  
20 and designated instruction and services. The regulations  
21 shall be established by rules and regulations issued by the  
22 board.

23 ~~SEC. 40.—~~

24 *SEC. 39.* Section 56366.3 of the Education Code is  
25 amended to read:

26 56366.3. (a) No contract for special education and  
27 related services provided by a nonpublic, nonsectarian  
28 school or agency shall be reimbursed by the state  
29 pursuant to Article 4 (commencing with Section  
30 56836.20) of Chapter 7.2 and Section 56836.16 if the  
31 contract covers special education and related services,  
32 administration, or supervision by an individual who was  
33 an employee of a contracting district, special education  
34 local plan area, or county office within the last 365 days,  
35 unless the contract contains an addendum establishing  
36 that the individual was involuntarily terminated or laid  
37 off as part of necessary staff reductions from the district,  
38 special education local plan area, or county office.

39 (b) This section does not apply to any person who is  
40 able to provide designated instruction and services

1 during the extended school year because he or she is  
2 otherwise employed for up to 10 months of the school year  
3 by the district, special education local plan area, or county  
4 office.

5 ~~SEC. 41.—~~

6 *SEC. 40.* Section 56441.10 of the Education Code is  
7 repealed.

8 ~~SEC. 42.—~~

9 *SEC. 41.* Section 56446 of the Education Code is  
10 amended to read:

11 56446. Public special education funding shall not be  
12 used to purchase regular preschool services or to  
13 purchase any instructional service other than special  
14 education and services permitted by this chapter.

15 ~~SEC. 43.—~~

16 *SEC. 42.* Section 56447 of the Education Code is  
17 repealed.

18 ~~SEC. 44.—~~

19 *SEC. 43.* Section 56832 of the Education Code is  
20 amended to read:

21 56832. (a) This chapter shall become inoperative on  
22 July 1, 1998, and, as of January 1, 1999, is repealed, unless  
23 a later enacted statute, that becomes operative on or  
24 before January 1, 1999, deletes or extends the dates on  
25 which it becomes inoperative and is repealed.

26 (b) Notwithstanding subdivision (a), this chapter, as it  
27 existed on December 31, 1998, shall apply until June 30,  
28 1999, for the purpose of submitting corrections to  
29 amounts funded under this chapter, and until June 30,  
30 2000, for the purpose of certifications of amounts funded  
31 under this chapter.

32 ~~SEC. 45.—~~

33 *SEC. 44.* Section 56835.04 of the Education Code is  
34 amended to read:

35 56835.04. (a) The data certified by the State  
36 Department of Education to the Controller for the  
37 1995–96 fiscal year with respect to apportionments  
38 computed under Chapter 7 (commencing with Section  
39 56700), *excluding data for services to individuals with*  
40 *exceptional needs younger than three years of age*, shall



1 be used for the purposes of making computations based  
2 upon the 1995–96 fiscal year pursuant to this chapter.

3 (b) For purposes of this chapter, information reported  
4 “for the 1995–96 annual apportionment” means the data  
5 meeting the requirements of subdivision (a), as certified  
6 in March 1997.

7 *SEC. 45.* Section 56836.03 of the Education Code is  
8 amended to read:

9 56836.03. (a) On or after January 1, 1998, each special  
10 education local plan area shall submit a revised local plan.  
11 Each special education local plan area shall submit its  
12 revised local plan not later than the time it is required to  
13 submit its local plan pursuant to subdivision (b) of Section  
14 56100 and the revised local plan shall meet the  
15 requirements of Chapter 3 (commencing with Section  
16 56200).

17 (b) Until the superintendent has approved the revised  
18 local plan and the special education local plan area begins  
19 to operate under the revised local plan, each special  
20 education local plan area shall continue to operate under  
21 the programmatic, reporting, and accounting  
22 requirements prescribed by the State Department of  
23 Education for the purposes of Chapter 7 (commencing  
24 with Section 56700) as that chapter existed on December  
25 31, 1998. The department shall develop transition  
26 guidelines, and, as necessary, transition forms, to facilitate  
27 a transition from the reporting and accounting methods  
28 required for Chapter 7 (commencing with Section 56700)  
29 as that chapter existed on December 31, 1998, and related  
30 provisions of this part, to the reporting and accounting  
31 methods required for this chapter. Under no  
32 circumstances shall the transition guidelines exceed the  
33 requirements of the provisions described in paragraphs  
34 (1) and (2). The transition guidelines shall, at a  
35 minimum, do the following:

36 (1) Describe the method for accounting for the  
37 instructional service personnel units and caseloads, as  
38 required by Chapter 7 (commencing with Section 56700)  
39 as that chapter existed on December 31, 1998.

(2) Describe the accounting that is required to be made, if any, for the purposes of Sections 56030, 56140, 56156.4, 56156.5, 56361.5, 56362, 56363.3, ~~56365.5, as that section existed on December 31, 1998,~~ 56366.2, 56366.3, 56370, ~~56441.5, 56441.7, and 56447, as that section existed on December 31, 1998.~~ 56441.5, and 56441.7.

(c) Commencing with the 1997–98 fiscal year, through and including the fiscal year in which equalization among special education local plan areas has been achieved, the board shall not approve any proposal to divide a special education local plan area into two or more units, unless the division has no net impact on state costs for special education; provided, however, that the board may approve a proposal that was initially submitted to the department prior to January 1, 1997.

SEC. 46. Section 56836.08 of the Education Code is amended to read:

56836.08. (a) For the 1998–99 fiscal year, the superintendent shall make the following computations to determine the amount of funding for each special education local plan area:

(1) Add the amount of funding per unit of average daily attendance computed for the special education local plan area pursuant to paragraph (1) of subdivision (a) of Section 56836.10 to the inflation adjustment computed pursuant to subdivision (d) for the 1998–99 fiscal year.

(2) Multiply the amount computed in paragraph (1) by the units of average daily attendance reported for the special education local plan area for the 1997–98 fiscal year.

(3) Add the actual amount of the equalization adjustment, if any, computed for the 1998–99 fiscal year pursuant to Section 56836.14 to the amount computed in paragraph (2).

(4) Add or subtract, as appropriate, the adjustment for growth computed pursuant to Section 56836.15 from the amount computed in paragraph (3).

(5) Add the special disabilities adjustment computed pursuant to Article 2.5 (commencing with Section 56836.155). The special disabilities adjustment received in

1 the 1998–99 fiscal year shall not be included in the  
2 calculations made pursuant to paragraph (1) of  
3 subdivision (b) of Section 56836.10 for the 1999–2000 fiscal  
4 year.

5 (b) For the 1999–2000 fiscal year and each fiscal year  
6 thereafter, the superintendent shall make the following  
7 computations to determine the amount of funding for  
8 each special education local plan area for the fiscal year  
9 in which the computation is made:

10 (1) Add the amount of funding per unit of average  
11 daily attendance computed for the special education local  
12 plan area for the prior fiscal year pursuant to Section  
13 56836.10 to the inflation adjustment computed pursuant  
14 to subdivision (d) for the fiscal year in which the  
15 computation is made.

16 (2) Multiply the amount computed in paragraph (1)  
17 by the units of average daily attendance reported for the  
18 special education local plan area for the prior fiscal year.

19 (3) Add the actual amount of the equalization  
20 adjustment, if any, computed for the special education  
21 local plan area for the fiscal year in which the  
22 computation is made pursuant to Section 56836.14 to the  
23 amount computed in paragraph (2).

24 (4) Add or subtract, as appropriate, the adjustment for  
25 growth or decline in enrollment, if any, computed for the  
26 special education local plan area for the fiscal year in  
27 which the computation is made pursuant to Section  
28 56836.15 from the amount computed in paragraph (3).

29 (5) Add the special disabilities adjustment computed  
30 pursuant to Article 2.5 (commencing with Section  
31 56836.155) and increased pursuant to subparagraph (D)  
32 if the adjusted funding per unit of average daily  
33 attendance of the special education local plan area is  
34 below the statewide target amount per unit of average  
35 daily attendance as determined pursuant to  
36 subparagraphs (A) to (C), inclusive, as follows:

37 (A) Calculate the adjusted amount of funding per unit  
38 of average daily attendance for each special education  
39 local plan area, measured in dollars and cents, using the  
40 methodology contained in subdivision (a) of Section

1 56836.10, except that the amount used from the  
2 computation in Section 56836.09 shall be reduced by the  
3 amount computed pursuant to Article 2.5 (commencing  
4 with Section 56836.155).

5 (B) Determine the statewide target amount per unit  
6 of average daily attendance, measured in dollars and  
7 cents and rounded up to the nearest 50 cents (\$0.50), as  
8 computed pursuant to subdivision (a) of Section 56836.11.

9 (C) The adjusted funding per unit of average daily  
10 attendance is below the statewide target amount if the  
11 amount calculated pursuant to subparagraph (A),  
12 subtracted from the amount calculated pursuant to  
13 subparagraph (B), yields a positive value.

14 (D) If the computation made pursuant to  
15 subparagraph (C) yields a positive value, increase the  
16 special disabilities adjustment in the 1999–2000 fiscal year  
17 and each year thereafter by the percent increase in  
18 growth in average daily attendance reported by the  
19 special education local plan area and the inflation factor  
20 computed pursuant to subdivision (b) of Section 42238.1  
21 for the applicable fiscal year.

22 (E) Inclusion of the special disabilities adjustment in  
23 the total funding of a special education local plan area  
24 shall neither change nor be included in the computation  
25 of equalization funding pursuant to Section 56836.12 or  
26 the computations made after this computation that  
27 precede the computation in Section 56836.12.

28 (c) For the 1998–99 fiscal year and each fiscal year  
29 thereafter, the superintendent shall make the following  
30 computations to determine the amount of General Fund  
31 moneys that the special education local plan area may  
32 claim:

33 (1) Add the total of the amount of property taxes  
34 allocated to the special education local plan area pursuant  
35 to Section 2572 for the fiscal year in which the  
36 computation is made to the amount of federal funds  
37 allocated to the special education local plan area pursuant  
38 to Part B of the Individuals with Disabilities Education  
39 Act (20 U.S.C. Sec. 1400 et seq.) for the fiscal year in which  
40 the computation is made.



1 (2) Add the amount of funding computed for the  
2 special education local plan area pursuant to subdivision  
3 (a) for the 1998–99 fiscal year, and commencing with the  
4 1999–2000 fiscal year and each fiscal year thereafter, the  
5 amount computed for the fiscal year in which the  
6 computations were made pursuant to subdivision (b) to  
7 the amount of funding computed for the special  
8 education local plan area pursuant to Article 3  
9 (commencing with Section 56836.16).

10 (3) Subtract the sum computed in paragraph (1) from  
11 the sum computed in paragraph (2).

12 (d) For the 1998–99 fiscal year and each fiscal year  
13 thereafter, the superintendent shall make the following  
14 computations to determine the inflation adjustment for  
15 the fiscal year in which the computation is made:

16 (1) For the 1998–99 fiscal year, multiply the statewide  
17 target amount per unit of average daily attendance for  
18 special education local plan areas for the 1997–98 fiscal  
19 year computed pursuant to paragraph (3) of Section  
20 56836.11 by the inflation factor computed pursuant to  
21 subdivision (b) of Section 42238.1 for the 1998–99 fiscal  
22 year.

23 (2) For the 1999–2000 fiscal year and each fiscal year  
24 thereafter, multiply the statewide target amount per unit  
25 of average daily attendance for special education local  
26 plan areas for the prior fiscal year computed pursuant to  
27 Section 56836.11 by the inflation factor computed  
28 pursuant to subdivision (b) of Section 42238.1 for the  
29 fiscal year in which the computation is made.

30 SEC. 47. Section 56836.09 of the Education Code is  
31 amended to read:

32 56836.09. For the purpose of computing the amount  
33 to apportion to each special education local plan area for  
34 the 1998–99 fiscal year, the superintendent shall compute  
35 the total amount of funding received by the special  
36 education local plan area for the 1997–98 fiscal year as  
37 follows:

38 (a) Add the following amounts that were received for  
39 the 1997–98 fiscal year:

1 (1) The total amount of federal funds available to the  
2 state pursuant to Part B of the Individuals with  
3 Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.)  
4 allocated to the special education local plan area for the  
5 purposes of special education for individuals with  
6 exceptional needs enrolled in kindergarten and grades 1  
7 to 12, inclusive.

8 (2) The total amount of federal funds available to the  
9 state pursuant to Part B of the Individuals with  
10 Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.)  
11 allocated to the special education local plan area for the  
12 purposes of providing preschool and related services to  
13 individuals with exceptional needs who are ages 3 to 5  
14 years, inclusive, pursuant to Chapter 4.45 (commencing  
15 with Section 56440).

16 (3) The total amount of property taxes allocated to the  
17 special education local plan area pursuant to Section 2572.

18 (4) The total amount of General Fund moneys  
19 allocated to the special education local plan area pursuant  
20 to Chapter 7 (commencing with Section 56700) plus the  
21 total amount received for equalization pursuant to  
22 Chapter 7.1 (commencing with Section 56835), as those  
23 chapters existed on December 31, 1998. This amount shall  
24 include funds allocated pursuant to Section 56728.7, as  
25 that section existed on December 31, 1998.

26 (5) The total amount of General Fund moneys and  
27 federal funds available to the state pursuant to Part B of  
28 the Individuals with Disabilities Education Act (20 U.S.C.  
29 Sec. 1400 et seq.) allocated to another special education  
30 local plan area for any pupils with exceptional needs who  
31 are served by the other special education local plan area  
32 but who are residents of the special education local plan  
33 area for which this computation is being made.

34 (b) Add the following amounts received in the 1997–98  
35 fiscal year:

36 (1) The total amount determined for the special  
37 education local plan area for the purpose of providing  
38 nonpublic, nonsectarian school services to licensed  
39 children's institutions, foster family homes, residential  
40 medical facilities, and other similar facilities for the

1 1997–98 fiscal year pursuant to Article 3 (commencing  
2 with Section 56836.16).

3 (2) The total amount of General Fund moneys and  
4 federal funds available to the state pursuant to Part B of  
5 the Individuals with Disabilities Education Act (20 U.S.C.  
6 Sec. 1400 et seq.) allocated for any pupils with exceptional  
7 needs who are served by the special education local plan  
8 area but who do not reside within the boundaries of the  
9 special education local plan area.

10 (3) The total amount of General Fund moneys  
11 allocated to the special education local plan area to  
12 perform the regionalized operations and services  
13 functions listed in Article 6 (commencing with Section  
14 56836.23) and to provide the direct instructional support  
15 of program specialists in accordance with Section 56368,  
16 *including amounts allocated for those purposes for special*  
17 *education for individuals with exceptional needs enrolled*  
18 *in kindergarten and grades 1 to 12, inclusive, and for*  
19 *preschool and related services to individuals with*  
20 *exceptional needs who are three to five years of age*  
21 *pursuant to Chapter 4.45 (commencing with Section*  
22 *56440).*

23 (4) The total amount of General Fund moneys  
24 allocated to the special education local plan area for  
25 individuals with exceptional needs younger than three  
26 years of age pursuant to Chapter 7 (commencing with  
27 Section 56700), as that chapter existed on December 31,  
28 1998.

29 (5) The total amount of General Fund moneys  
30 allocated to local education agencies within the special  
31 education local plan area pursuant to Section 56771, as  
32 that section existed on December 31, 1998, for specialized  
33 books, materials, and equipment for pupils with  
34 low-incidence disabilities.

35 (6) The total amount of federal funds available to the  
36 state pursuant to Part B of the Individuals with  
37 Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.)  
38 allocated to the special education local plan area for the  
39 purposes of providing funding for low-incidence

1 disabilities and *Project Workability I* pursuant to Article  
2 3 (commencing with Section 56470) of Chapter 4.5.

3 (c) Subtract the sum computed in subdivision (b)  
4 from the sum computed in subdivision (a).

5 SEC. 48. Section 56836.12 of the Education Code is  
6 amended to read:

7 56836.12. (a) For the purpose of computing the  
8 equalization adjustment for special education local plan  
9 areas for the 1998–99 fiscal year, the superintendent shall  
10 make the following computations to determine the  
11 amount that each special education local plan area that  
12 has an amount per unit of average daily attendance that  
13 is below the statewide target amount per unit of average  
14 daily attendance may request as an equalization  
15 adjustment:

16 (1) Subtract the amount per unit of average daily  
17 attendance computed for the special education local plan  
18 area pursuant to subdivision (a) of Section 56836.10 from  
19 the statewide target amount per unit of average daily  
20 attendance determined pursuant to subdivision (a) of  
21 Section 56836.11.

22 (2) If the remainder computed in paragraph (1) is  
23 greater than zero, multiply that remainder by the  
24 number of units of average daily attendance reported for  
25 the special education local plan area for the 1997–98 fiscal  
26 year.

27 (b) Commencing with the 1999–2000 fiscal year,  
28 through and including the fiscal year in which  
29 equalization among the special education local plan areas  
30 has been achieved, the superintendent shall make the  
31 following computations to determine the amount that  
32 each special education local plan area that has an amount  
33 per unit of average daily attendance that is below the  
34 statewide target amount per unit of average daily  
35 attendance may request as an equalization adjustment:

36 (1) Add to the amount per unit of average daily  
37 attendance computed for the special education local plan  
38 area pursuant to subdivision (b) of Section 56836.10 for  
39 the fiscal year in which the computation is made the  
40 inflation adjustment computed pursuant to subdivision

(d) of Section 56836.08 for the fiscal year in which the computation is made.

(2) Subtract the amount computed pursuant to paragraph (1) from the statewide target amount per unit of average daily attendance computed pursuant to subdivision (b) of Section 56836.11 for the fiscal year in which the computation is made.

(3) If the remainder computed in paragraph (2) is greater than zero, multiply that remainder by the number of units of average daily attendance reported for the special education local plan area for the prior fiscal year.

SEC. 49. Section 56836.21 of the Education Code is amended to read:

56836.21. (a) The State Department of Education shall administer an extraordinary cost pool to protect special education local plan areas from the extraordinary costs associated with single placements in nonpublic, nonsectarian schools, *excluding placements reimbursed pursuant to Article 3 (commencing with Section 56836.16)*. Funds shall be appropriated for this purpose in the annual Budget Act. Special education local plan areas shall be eligible for reimbursement from this pool in accordance with this section.

(b) The threshold amount for claims under this section shall be the lesser of the following:

(1) One percent of the allocation calculated pursuant to Section 56836.08 for the special education local plan area for the current fiscal year for any special education local plan area that meets the criteria in Section 56212.

(2) The State Department of Education shall calculate the average cost of a nonpublic, nonsectarian school placement in the 1997–98 fiscal year. This amount shall be multiplied by 2.5, then by one plus the inflation factor computed pursuant to Section 42238.1, to obtain the alternative threshold amount for claims in the 1998–99 fiscal year. In subsequent fiscal years, the alternative threshold amount shall be the alternative threshold amount for the prior fiscal year multiplied by one plus the inflation factor computed pursuant to Section 42238.1.

1 (c) Special education local plan areas shall be eligible  
2 to submit claims for costs of any new nonpublic,  
3 nonsectarian school placements in excess of those in  
4 existence in the 1997–98 fiscal year and exceeding the  
5 threshold amount on forms developed by the State  
6 Department of Education. All claims for a fiscal year shall  
7 be submitted by November 30 following the close of the  
8 fiscal year. If the total amount claimed by special  
9 education local plan areas exceeds the amount  
10 appropriated, the claims shall be prorated.

11 SEC. 50. *Section 56836.24 of the Education Code is*  
12 *amended to read:*

13 56836.24. Commencing with the 1998–99 fiscal year  
14 and each year thereafter, the superintendent shall make  
15 the following computations to determine the amount of  
16 funding for the purposes specified in Section 56836.23 to  
17 apportion to each special education local plan area for the  
18 fiscal year in which the computation is made:

19 (a) For the 1998–99 fiscal year the superintendent shall  
20 make the following computations:

21 (1) Multiply the total amount of state General Fund  
22 money allocated to the special education local plan areas  
23 in the 1997–98 fiscal year, for the purposes of Article 9  
24 (commencing with Section 56780) of Chapter 7, as that  
25 chapter existed on December 31, 1998, *including amounts*  
26 *allocated for those purposes for special education for*  
27 *individuals with exceptional needs enrolled in*  
28 *kindergarten and grades 1 to 12, inclusive, and for*  
29 *preschool and related services to individuals with*  
30 *exceptional needs who are three to five years of age,*  
31 *pursuant to Chapter 4.5 (commencing with Section*  
32 *56440), by one plus the inflation factor computed*  
33 *pursuant to subdivision (b) of Section 42238.1 for the*  
34 *1998–99 fiscal year.*

35 (2) Divide the amount calculated in paragraph (1) by  
36 the units of average daily attendance reported for the  
37 special education local plan area for the 1997–98 fiscal  
38 year.

39 (3) To determine the amount to be allocated to each  
40 special education local plan area in the 1998–99 fiscal year,

1 the superintendent shall multiply the amount computed  
2 in paragraph (2) by the number of units of average daily  
3 attendance reported for the special education local plan  
4 area for the 1998–99 fiscal year, except that a special  
5 education local plan area designated as a necessary small  
6 special education local plan area in accordance with  
7 Section 56212 and reporting fewer than 15,000 units of  
8 average daily attendance for the 1998–99 fiscal year shall  
9 be deemed to have 15,000 units of average daily  
10 attendance, and no special education local plan area shall  
11 receive less than it received in the 1997–98 fiscal year.

12 (b) For the 1999–2000 fiscal year and each fiscal year  
13 thereafter, the superintendent shall make the following  
14 calculations:

15 (1) Multiply the amount determined in paragraph (2)  
16 of subdivision (a) by one plus the inflation factor  
17 computed pursuant to subdivision (b) of Section 42238.1  
18 for the current fiscal year.

19 (2) Multiply the amount determined in paragraph (1)  
20 by the number of units of average daily attendance  
21 reported for the special education local plan area for the  
22 current fiscal year, except that a special education local  
23 plan area designated as a necessary small special  
24 education local plan area in accordance with Section  
25 56212 and reporting fewer than 15,000 units of average  
26 daily attendance for the current fiscal year shall be  
27 deemed to have 15,000 units of average daily attendance.

28 *SEC. 51.* Section 56864 of the Education Code is  
29 amended to read:

30 56864. Individuals with exceptional needs served  
31 ~~under this chapter shall not be subject to residing in state~~  
32 ~~hospitals shall not be included within the funding~~  
33 ~~calculation made pursuant to Chapter 7.2 (commencing~~  
34 ~~with Section 56836).~~

35 ~~SEC. 51.—~~

36 *SEC. 52.* Section 97.2 of the Revenue and Taxation  
37 Code is amended to read:

38 97.2. Notwithstanding any other provision of this  
39 chapter, the computations and allocations made by each  
40 county pursuant to Section 96.1 or its predecessor section

1 shall be modified for the 1992–93 fiscal year pursuant to  
2 subdivisions (a) to (d), inclusive, and for the 1997–98 and  
3 1998–99 fiscal years pursuant to subdivision (e), as follows:

4 (a) (1) Except as provided in paragraph (2), the  
5 amount of property tax revenue deemed allocated in the  
6 prior fiscal year to each county shall be reduced by the  
7 dollar amounts indicated as follows, multiplied by .953649:

	Property Tax Reduction per County
8	
9	
10	
11	
12	Alameda ..... \$ 27,323,576
13	Alpine ..... 5,169
14	Amador ..... 286,131
15	Butte ..... 846,452
16	Calaveras ..... 507,526
17	Colusa ..... 186,438
18	Contra Costa ..... 12,504,318
19	Del Norte ..... 46,523
20	El Dorado ..... 1,544,590
21	Fresno ..... 5,387,570
22	Glenn ..... 378,055
23	Humboldt ..... 1,084,968
24	Imperial ..... 998,222
25	Inyo ..... 366,402
26	Kern ..... 6,907,282
27	Kings ..... 1,303,774
28	Lake ..... 998,222
29	Lassen ..... 93,045
30	Los Angeles ..... 244,178,806
31	Madera ..... 809,194
32	Marin ..... 3,902,258
33	Mariposa ..... 40,136
34	Mendocino ..... 1,004,112
35	Merced ..... 2,445,709
36	Modoc ..... 134,650
37	Mono ..... 319,793
38	Monterey ..... 2,519,507
39	Napa ..... 1,362,036
40	Nevada ..... 762,585



1	Orange .....	9,900,654
2	Placer .....	1,991,265
3	Plumas .....	71,076
4	Riverside .....	7,575,353
5	Sacramento .....	15,323,634
6	San Benito .....	198,090
7	San Bernardino .....	14,467,099
8	San Diego .....	17,687,776
9	San Francisco .....	53,266,991
10	San Joaquin .....	8,574,869
11	San Luis Obispo .....	2,547,990
12	San Mateo .....	7,979,302
13	Santa Barbara .....	4,411,812
14	Santa Clara .....	20,103,706
15	Santa Cruz .....	1,416,413
16	Shasta .....	1,096,468
17	Sierra .....	97,103
18	Siskiyou .....	467,390
19	Solano .....	5,378,048
20	Sonoma .....	5,455,911
21	Stanislaus .....	2,242,129
22	Sutter .....	831,204
23	Tehama .....	450,559
24	Trinity .....	50,399
25	Tulare .....	4,228,525
26	Tuolumne .....	740,574
27	Ventura .....	9,412,547
28	Yolo .....	1,860,499
29	Yuba .....	842,857

30  
 31 (2) Notwithstanding paragraph (1), the amount of the  
 32 reduction specified in that paragraph for any county or  
 33 city and county that has been materially and substantially  
 34 impacted as a result of a federally declared disaster, as  
 35 evidenced by at least 20 percent of the cities, or cities and  
 36 unincorporated areas of the county representing 20  
 37 percent of the population within the county suffering  
 38 substantial damage, as certified by the Director of the  
 39 Office of Emergency Services, occurring between  
 40 October 1, 1989, and the effective date of this section, shall

1 be reduced by that portion of five million dollars  
2 (\$5,000,000) determined for that county or city and  
3 county pursuant to subparagraph (B) of paragraph (3).

4 (3) On or before October 1, 1992, the Director of  
5 Finance shall do all of the following:

6 (A) Determine the population of each county and city  
7 and county in which a federally declared disaster has  
8 occurred between October 1, 1989, and the effective date  
9 of this section.

10 (B) Determine for each county and city and county as  
11 described in subparagraph (A) its share of five million  
12 dollars (\$5,000,000) on the basis of that county's  
13 population relative to the total population of all counties  
14 described in subparagraph (A).

15 (C) Notify each auditor of each county and city and  
16 county of the amounts determined pursuant to  
17 subparagraph (B).

18 (b) (1) Except as provided in paragraph (2), the  
19 amount of property tax revenue deemed allocated in the  
20 prior fiscal year to each city, except for a newly  
21 incorporated city that did not receive property tax  
22 revenues in the 1991–92 fiscal year, shall be reduced by 9  
23 percent. In making the above computation with respect  
24 to cities in Alameda County, the computation for a city  
25 described in paragraph (6) of subdivision (a) of Section  
26 100.7, as added by Section 73.5 of Chapter 323 of the  
27 Statutes of 1983, shall be adjusted so that the amount  
28 multiplied by 9 percent is reduced by the amount  
29 determined for that city for “museums” pursuant to  
30 paragraph (2) of subdivision (h) of Section 95.

31 (2) Notwithstanding paragraph (1), the amount of the  
32 reduction determined pursuant to that paragraph for any  
33 city that has been materially and substantially impacted  
34 as a result of a federally declared disaster, as certified by  
35 the Director of the Office of Emergency Services,  
36 occurring between October 1, 1989, and the effective  
37 date of this section, shall be reduced by that portion of  
38 fifteen million dollars (\$15,000,000) determined for that  
39 city pursuant to subparagraph (B) of paragraph (3).

(3) On or before October 1, 1992, the Director of Finance shall do all of the following:

(A) Determine the population of each city in which a federally declared disaster has occurred between October 1, 1989, and the effective date of this section.

(B) Determine for each city as described in subparagraph (A) its share of fifteen million dollars (\$15,000,000) on the basis of that city's population relative to the total population of all cities described in subparagraph (A).

(C) Notify each auditor of each county and city and county of the amounts determined pursuant to subparagraph (B).

(4) In the 1992-93 fiscal year and each fiscal year thereafter, the auditor shall adjust the computations required pursuant to Article 4 (commencing with Section 98) so that those computations do not result in the restoration of any reduction required pursuant to this section.

(c) (1) Subject to paragraph (2), the amount of property tax revenue, other than those revenues that are pledged to debt service, deemed allocated in the prior fiscal year to a special district, other than a multicounty district, a local hospital district, or a district governed by a city council or whose governing board has the same membership as a city council, shall be reduced by 35 percent. For purposes of this subdivision, "revenues that are pledged to debt service" include only those amounts required to pay debt service costs in the 1991-92 fiscal year on debt instruments issued by a special district for the acquisition of capital assets.

(2) No reduction pursuant to paragraph (1) for any special district, other than a countywide water agency that does not sell water at retail, shall exceed an amount equal to 10 percent of that district's total annual revenues, from whatever source, as shown in the 1989-90 edition of the State Controller's Report on Financial Transactions Concerning Special Districts (not including any annual revenues from fiscal years following the 1989-90 fiscal year). With respect to any special district, as defined

1 pursuant to subdivision (m) of Section 95, that is allocated  
2 property tax revenue pursuant to this chapter but does  
3 not appear in the State Controller's Report on Financial  
4 Transactions Concerning Special Districts, the auditor  
5 shall determine the total annual revenues for that special  
6 district from the information in the 1989-90 edition of the  
7 State Controller's Report on Financial Transactions  
8 Concerning Counties. With respect to a special district  
9 that did not exist in the 1989-90 fiscal year, the auditor  
10 may use information from the first full fiscal year, as  
11 appropriate, to determine the total annual revenues for  
12 that special district. No reduction pursuant to paragraph  
13 (1) for any countywide water agency that does not sell  
14 water at retail shall exceed an amount equal to 10 percent  
15 of that portion of that agency's general fund derived from  
16 property tax revenues.

17 (3) The auditor in each county shall, on or before  
18 January 15, 1993, and on or before January 30 of each year  
19 thereafter, submit information to the Controller  
20 concerning the amount of the property tax revenue  
21 reduction to each special district within that county as a  
22 result of paragraphs (1) and (2). The Controller shall  
23 certify that the calculation of the property tax revenue  
24 reduction to each special district within that county is  
25 accurate and correct, and submit this information to the  
26 Director of Finance.

27 (A) The Director of Finance shall determine whether  
28 the total of the amounts of the property tax revenue  
29 reductions to special districts, as certified by the  
30 Controller, is equal to the amount that would be required  
31 to be allocated to school districts and community college  
32 districts as a result of a three hundred seventy-five million  
33 dollar (\$375,000,000) shift of property tax revenues from  
34 special districts for the 1992-93 fiscal year. If, for any year,  
35 the total of the amount of the property tax revenue  
36 reductions to special districts is less than the amount as  
37 described in the preceding sentence, the amount of  
38 property tax revenue, other than those revenues that are  
39 pledged to debt service, deemed allocated in the prior  
40 fiscal year to a special district, other than a multicounty

1 district, a local hospital district, or a district governed by  
2 a city council or whose governing board has the same  
3 membership as a city council, shall, subject to  
4 subparagraph (B), be reduced by an amount up to 5  
5 percent of the amount subject to reduction for that  
6 district pursuant to paragraphs (1) and (2).

7 (B) No reduction pursuant to subparagraph (A), in  
8 conjunction with a reduction pursuant to paragraphs (1)  
9 and (2), for any special district, other than a countywide  
10 water agency that does not sell water at retail, shall  
11 exceed an amount equal to 10 percent of that district's  
12 total annual revenues, from whatever source, as shown in  
13 the most recent State Controller's Report on Financial  
14 Transactions Concerning Special Districts. No reduction  
15 pursuant to subparagraph (A), in conjunction with a  
16 reduction pursuant to paragraphs (1) and (2), for any  
17 countywide water agency that does not sell water at retail  
18 shall exceed an amount equal to 10 percent of that portion  
19 of that agency's general fund derived from property tax  
20 revenues.

21 (C) In no event shall the amount of the property tax  
22 revenue loss to a special district derived pursuant to  
23 subparagraphs (A) and (B) exceed 40 percent of that  
24 district's property tax revenues or 10 percent of that  
25 district's total revenues, from whatever source.

26 (4) For the purpose of determining the total annual  
27 revenues of a special district that provides fire protection  
28 or fire suppression services, all of the following shall be  
29 excluded from the determination of total annual  
30 revenues:

31 (A) If the district had less than two million dollars  
32 (\$2,000,000) in total annual revenues in the 1991–92 fiscal  
33 year, the revenue generated by a fire suppression  
34 assessment levied pursuant to Article 3.6 (commencing  
35 with Section 50078) of Chapter 1 of Part 1 of Division 1 of  
36 Title 5 of the Government Code.

37 (B) In counties that contract with the state to protect  
38 state responsibility areas, the total amount of all funds,  
39 regardless of the source, that are appropriated to a  
40 district, including a fire department, by a board of

1 supervisors pursuant to Section 25642 of the Government  
2 Code or Chapter 7 (commencing with Section 13890) of  
3 Part 2.7 of Division 12 of the Health and Safety Code for  
4 fire protection.

5 (C) The revenue received by a district as a result of  
6 contracts entered into pursuant to Section 4133 of the  
7 Public Resources Code.

8 (5) For the purpose of determining the total annual  
9 revenues of a resource conservation district, all of the  
10 following shall be excluded from the determination of  
11 total annual revenues:

12 (A) Any revenues received by that district from the  
13 state for financing the acquisition of land, or the  
14 construction or improvement of state projects, and for  
15 which that district serves as the fiscal agent in  
16 administering those state funds pursuant to an agreement  
17 entered into between that district and a state agency.

18 (B) Any amount received by that district as a private  
19 gift or donation.

20 (C) Any amount received as a county grant or contract  
21 as supplemental to, or independent of, that district's  
22 property tax share.

23 (D) Any amount received by that district as a federal  
24 or state grant.

25 (d) (1) The amount of property tax revenues not  
26 allocated to the county, cities within the county, and  
27 special districts as a result of the reductions calculated  
28 pursuant to subdivisions (a), (b), and (c) shall instead be  
29 deposited in the Educational Revenue Augmentation  
30 Fund to be established in each county. The amount of  
31 revenue in the Educational Revenue Augmentation  
32 Fund, derived from whatever source, shall be allocated  
33 pursuant to paragraphs (2) and (3) to school districts and  
34 county offices of education, in total, and to community  
35 college districts, in total, in the same proportion that  
36 property tax revenues were distributed to school districts  
37 and county offices of education, in total, and community  
38 college districts, in total, during the 1991–92 fiscal year.

39 (2) The auditor shall, based on information provided  
40 by the county superintendent of schools pursuant to this

1 paragraph, allocate the proportion of the Educational  
2 Revenue Augmentation Fund to those school districts  
3 and county offices of education within the county that are  
4 not excess tax school entities, as defined in subdivision (n)  
5 of Section 95. The county superintendent of schools shall  
6 determine the amount to be allocated to each school  
7 district and county office of education in inverse  
8 proportion to the amounts of property tax revenue per  
9 average daily attendance in each school district and  
10 county office of education. In no event shall any  
11 additional money be allocated from the fund to a school  
12 district or county office of education upon that school  
13 district or county office of education becoming an excess  
14 tax school entity.

15 (3) The auditor shall, based on information provided  
16 by the Chancellor of the California Community Colleges  
17 pursuant to this paragraph, allocate the proportion of the  
18 Educational Revenue Augmentation Fund to those  
19 community college districts within the county that are  
20 not excess tax school entities, as defined in subdivision (n)  
21 of Section 95. The chancellor shall determine the amount  
22 to be allocated to each community college district in  
23 inverse proportion to the amounts of property tax  
24 revenue per funded full-time equivalent student in each  
25 community college district. In no event shall any  
26 additional money be allocated from the fund to a  
27 community college district upon that district becoming  
28 an excess tax school entity.

29 (4) (A) If, after making the allocation required  
30 pursuant to paragraph (2), the auditor determines that  
31 there are still additional funds to be allocated, the auditor  
32 shall allocate those excess funds pursuant to paragraph  
33 (3). If, after making the allocation pursuant to paragraph  
34 (3), the auditor determines that there are still additional  
35 funds to be allocated, the auditor shall allocate those  
36 excess funds pursuant to paragraph (2).

37 (B) (i) For the 1995–96 fiscal year and each fiscal year  
38 thereafter, if, after making the allocations pursuant to  
39 paragraphs (2) and (3) and subparagraph (A), the  
40 auditor determines that there are still additional funds to

1 be allocated, the auditor shall, subject to clauses (ii) and  
2 (iii), allocate those excess funds to the county  
3 superintendent of schools. Funds allocated pursuant to  
4 this subparagraph shall be counted as property tax  
5 revenues for special education programs in  
6 augmentation of the amount calculated pursuant to  
7 Section 2572 of the Education Code, to the extent that  
8 those property tax revenues offset state aid for county  
9 offices of education and school districts within the county  
10 pursuant to subdivision (c) of Section 56836.08 of the  
11 Education Code.

12 (ii) For the 1995–96 fiscal year only, this subparagraph  
13 shall have no application to the County of Mono and the  
14 amount allocated pursuant to this subparagraph in the  
15 County of Marin shall not exceed five million dollars  
16 (\$5,000,000).

17 (iii) For the 1996–97 fiscal year only, the total amount  
18 of funds allocated by the auditor pursuant to this  
19 subparagraph and subparagraph (B) of paragraph (4) of  
20 subdivision (d) of Section 97.3 shall not exceed that  
21 portion of two million five hundred thousand dollars  
22 (\$2,500,000) that corresponds to the county's  
23 proportionate share of all moneys allocated pursuant to  
24 this subparagraph and subparagraph (B) of paragraph  
25 (4) of subdivision (d) of Section 97.3 for the 1995–96 fiscal  
26 year. Upon the request of the auditor, the Department of  
27 Finance shall provide to the auditor all information in the  
28 department's possession that is necessary for the auditor  
29 to comply with this clause.

30 (C) For purposes of allocating the Educational  
31 Revenue Augmentation Fund for the 1996–97 fiscal year,  
32 the auditor shall, after making the allocations for special  
33 education programs, if any, required by subparagraph  
34 (B), allocate all remaining funds among the county,  
35 cities, and special districts in proportion to the amounts  
36 of ad valorem property tax revenue otherwise required  
37 to be shifted from those local agencies to the county's  
38 Educational Revenue Augmentation Fund for the  
39 relevant fiscal year. For purposes of ad valorem property  
40 tax revenue allocations for the 1997–98 fiscal year and



1 each fiscal year thereafter, no amount of ad valorem  
2 property tax revenue allocated to the county, a city, or a  
3 special district pursuant to this subparagraph shall be  
4 deemed to be an amount of ad valorem property tax  
5 revenue allocated to that local agency in the prior fiscal  
6 year.

7 (5) For purposes of allocations made pursuant to  
8 Section 96.1 or its predecessor section for the 1993–94  
9 fiscal year, the amounts allocated from the Educational  
10 Revenue Augmentation Fund pursuant to this  
11 subdivision, other than amounts deposited in the  
12 Educational Revenue Augmentation Fund pursuant to  
13 Section 33681 of the Health and Safety Code, shall be  
14 deemed property tax revenue allocated to the  
15 Educational Revenue Augmentation Fund in the prior  
16 fiscal year.

17 (e) (1) For the 1997–98 fiscal year:

18 (A) The amount of property tax revenue deemed  
19 allocated in the prior fiscal year to any city subject to the  
20 reduction specified in paragraph (2) of subdivision (b)  
21 shall be reduced by an amount that is equal to the  
22 difference between the amount determined for the city  
23 pursuant to paragraph (1) of subdivision (b) and the  
24 amount of the reduction determined for the city pursuant  
25 to paragraph (2) of subdivision (b).

26 (B) The amount of property tax revenue deemed  
27 allocated in the prior fiscal year to any county or city and  
28 county subject to the reduction specified in paragraph  
29 (2) of subdivision (a) shall be reduced by an amount that  
30 is equal to the difference between the amount specified  
31 for the county or city and county pursuant to paragraph  
32 (1) of subdivision (a) and the amount of the reduction  
33 determined for the county or city and county pursuant to  
34 paragraph (2) of subdivision (a).

35 (2) The amount of property tax revenues not allocated  
36 to a city or city and county as a result of this subdivision  
37 shall be deposited in the Educational Revenue  
38 Augmentation Fund described in subparagraph (A) of  
39 paragraph (1) of subdivision (d).

(3) For purposes of allocations made pursuant to Section 96.1 for the 1998–99 fiscal year, the amounts allocated from the Educational Revenue Augmentation Fund pursuant to this subdivision shall be deemed property tax revenues allocated to the Educational Revenue Augmentation Fund in the prior fiscal year.

(f) It is the intent of the Legislature in enacting this section that this section supersede and be operative in place of Section 97.03 of the Revenue and Taxation Code, as added by Senate Bill 617 of the 1991–92 Regular Session.

~~SEC. 52.~~

SEC. 53. Section 97.3 of the Revenue and Taxation Code is amended to read:

97.3. Notwithstanding any other provision of this chapter, the computations and allocations made by each county pursuant to Section 96.1 or its predecessor section, as modified by Section 97.2 or its predecessor section for the 1992–93 fiscal year, shall be modified for the 1993–94 fiscal year pursuant to subdivisions (a) to (c), inclusive, as follows:

(a) The amount of property tax revenue deemed allocated in the prior fiscal year to each county and city and county shall be reduced by an amount to be determined by the Director of Finance in accordance with the following:

(1) The total amount of the property tax reductions for counties and cities and counties determined pursuant to this section shall be one billion nine hundred ninety-eight million dollars (\$1,998,000,000) in the 1993–94 fiscal year.

(2) The Director of Finance shall determine the amount of the reduction for each county or city and county as follows:

(A) The proportionate share of the property tax revenue reduction for each county or city and county that would have been imposed on all counties under the proposal specified in the “May Revision of the 1993–94 Governor’s Budget” shall be determined by reference to the document entitled “Estimated County Property Tax Transfers Under Governor’s May Revision Proposal,”

1 published by the Legislative Analyst's Office on June 1,  
2 1993.

3 (B) Each county's or city and county's proportionate  
4 share of total taxable sales in all counties in the 1991-92  
5 fiscal year shall be determined.

6 (C) An amount for each county and city and county  
7 shall be determined by applying its proportionate share  
8 determined pursuant to subparagraph (A) to the one  
9 billion nine hundred ninety-eight million dollar  
10 (\$1,998,000,000) statewide reduction for counties and  
11 cities and counties.

12 (D) An amount for each county and city and county  
13 shall be determined by applying its proportionate share  
14 determined pursuant to subparagraph (B) to the one  
15 billion nine hundred ninety-eight million dollar  
16 (\$1,998,000,000) statewide reduction for counties and  
17 cities and counties.

18 (E) The Director of Finance shall add the amounts  
19 determined pursuant to subparagraphs (C) and (D) for  
20 each county and city and county, and divide the resulting  
21 figure by two. The amount so determined for each county  
22 and city and county shall be divided by a factor of 1.038.  
23 The resulting figure shall be the amount of property tax  
24 revenue to be subtracted from the amount of property tax  
25 revenue deemed allocated in the prior fiscal year.

26 (3) The Director of Finance shall, by July 15, 1993,  
27 report to the Joint Legislative Budget Committee its  
28 determination of the amounts determined pursuant to  
29 paragraph (2).

30 (4) On or before August 15, 1993, the Director of  
31 Finance shall notify the auditor of each county and city  
32 and county of the amount of property tax revenue  
33 reduction determined for each county and city and  
34 county.

35 (5) Notwithstanding any other provision of this  
36 subdivision, the amount of the reduction specified in  
37 paragraph (2) for any county or city and county that has  
38 first implemented, for the 1993-94 fiscal year, the  
39 alternative procedure for the distribution of property tax  
40 levies authorized by Chapter 2 (commencing with

1 Section 4701) of Part 8 shall be reduced, for the 1993–94  
2 fiscal year only, in the amount of any increased revenue  
3 allocated to each qualifying school entity that would not  
4 have been allocated for the 1993–94 fiscal year but for the  
5 implementation of that alternative procedure. For  
6 purposes of this paragraph, “qualifying school entity”  
7 means any school district, county office of education, or  
8 community college district that is not an excess tax school  
9 entity as defined in Section 95.1. Notwithstanding any  
10 other provision of this paragraph, the amount of any  
11 reduction calculated pursuant to this paragraph for any  
12 county or city and county shall not exceed the reduction  
13 calculated for that county or city and county pursuant to  
14 paragraph (2).

15 (b) The amount of property tax revenue deemed  
16 allocated in the prior fiscal year to each city shall be  
17 reduced by an amount to be determined by the Director  
18 of Finance in accordance with the following:

19 (1) The total amount of the property tax reductions  
20 determined for cities pursuant to this section shall be two  
21 hundred eighty-eight million dollars (\$288,000,000) in the  
22 1993–94 fiscal year.

23 (2) The Director of Finance shall determine the  
24 amount of reduction for each city as follows:

25 (A) The amount of property tax revenue that is  
26 estimated to be attributable in the 1993–94 fiscal year to  
27 the amount of each city’s state assistance payment  
28 received by that city pursuant to Chapter 282 of the  
29 Statutes of 1979 shall be determined.

30 (B) A factor for each city equal to the amount  
31 determined pursuant to subparagraph (A) for that city,  
32 divided by the total of the amounts determined pursuant  
33 to subparagraph (A) for all cities, shall be determined.

34 (C) An amount for each city equal to the factor  
35 determined pursuant to subparagraph (B), multiplied by  
36 three hundred eighty-two million five hundred thousand  
37 dollars (\$382,500,000), shall be determined.

38 (D) In no event shall the amount for any city  
39 determined pursuant to subparagraph (C) exceed a per  
40 capita amount of nineteen dollars and thirty-one cents

1 (\$19.31), as determined in accordance with that city's  
2 population on January 1, 1993, as estimated by the  
3 Department of Finance.

4 (E) The amount determined for each city pursuant to  
5 subparagraphs (C) and (D) shall be the amount of  
6 property tax revenue to be subtracted from the amount  
7 of property tax revenue deemed allocated in the prior  
8 year.

9 (3) The Director of Finance shall, by July 15, 1993,  
10 report to the Joint Legislative Budget Committee those  
11 amounts determined pursuant to paragraph (2).

12 (4) On or before August 15, 1993, the Director of  
13 Finance shall notify each county auditor of the amount of  
14 property tax revenue reduction determined for each city  
15 located within that county.

16 (c) (1) The amount of property tax revenue deemed  
17 allocated in the prior fiscal year to each special district, as  
18 defined pursuant to subdivision (m) of Section 95, shall be  
19 reduced by the amount determined for the district  
20 pursuant to paragraph (3) and increased by the amount  
21 determined for the district pursuant to paragraph (4).  
22 The total net amount of these changes is intended to  
23 equal two hundred forty-four million dollars  
24 (\$244,000,000) in the 1993–94 fiscal year.

25 (2) (A) Notwithstanding any other provision of this  
26 subdivision, no reduction shall be made pursuant to this  
27 subdivision with respect to any of the following special  
28 districts:

29 (i) A local hospital district as described in Division 23  
30 (commencing with Section 32000) of the Health and  
31 Safety Code.

32 (ii) A water agency that does not sell water at retail,  
33 but not including an agency the primary function of  
34 which, as determined on the basis of total revenues, is  
35 flood control.

36 (iii) A transit district.

37 (iv) A police protection district formed pursuant to  
38 Part 1 (commencing with Section 20000) of Division 14 of  
39 the Health and Safety Code.

1 (v) A special district that was a multicounty special  
2 district as of July 1, 1979.

3 (B) Notwithstanding any other provision of this  
4 subdivision, the first one hundred four thousand dollars  
5 (\$104,000) of the amount of any reduction that otherwise  
6 would be made under this subdivision with respect to a  
7 qualifying community services district shall be excluded.  
8 For purposes of this subparagraph, a “qualifying  
9 community services district” means a community service  
10 district that meets all of the following requirements:

11 (i) Was formed pursuant to Division 3 (commencing  
12 with Section 61000) of Title 6 of the Government Code.

13 (ii) Succeeded to the duties and properties of a police  
14 protection district upon the dissolution of that district.

15 (iii) Currently provides police protection services to  
16 substantially the same territory as did that district.

17 (iv) Is located within a county in which the board of  
18 supervisors has requested the Department of Finance  
19 that this subparagraph be operative in the county.

20 (3) (A) On or before September 15, 1993, the county  
21 auditor shall determine an amount for each special  
22 district equal to the amount of its allocation determined  
23 pursuant to Section 96 or 96.1, and Section 96.5 or their  
24 predecessor sections for the 1993–94 fiscal year multiplied  
25 by the ratio determined pursuant to paragraph (1) of  
26 subdivision (a) of former Section 98.6 as that section read  
27 on June 15, 1993. In those counties that were subject to  
28 former Sections 98.66, 98.67, and 98.68, as those sections  
29 read on that same date, the county auditor shall  
30 determine an amount for each special district that  
31 represents the current amount of its allocation  
32 determined pursuant to Section 96 or 96.1, and Section  
33 96.5 or their predecessor sections for the 1993–94 fiscal  
34 year that is attributed to the property tax shift from  
35 schools required by Chapter 282 of the Statutes of 1979.  
36 In that county subject to Section 100.4, the county auditor  
37 shall determine an amount for each special district that  
38 represents the current amount of its allocations  
39 determined pursuant to Section 96, 96.1, 96.5, or 100.4 or  
40 their predecessor sections for the 1993–94 fiscal year that

1 is attributable to the property tax shift from schools  
2 required by Chapter 282 of the Statutes of 1979. In  
3 determining these amounts, the county auditor shall  
4 adjust for the influence of increased assessed valuation  
5 within each district, including the effect of jurisdictional  
6 changes, and the reductions in property tax allocations  
7 required in the 1992–93 fiscal year by Chapters 699 and  
8 1369 of the Statutes of 1992. In the case of a special district  
9 that has been consolidated or reorganized, the auditor  
10 shall determine the amount of its current property tax  
11 allocation that is attributable to the prior district's or  
12 districts' receipt of state assistance payments pursuant to  
13 Chapter 282 of the Statutes of 1979. Notwithstanding any  
14 other provision of this paragraph, for a special district that  
15 is governed by a city council or whose governing board  
16 has the same membership as a city council and that is a  
17 subsidiary district as defined in subdivision (e) of Section  
18 16271 of the Government Code, the county auditor shall  
19 multiply the amount that otherwise would be calculated  
20 pursuant to this paragraph by 0.38 and the result shall be  
21 used in the calculations required by paragraph (5). In no  
22 event shall the amount determined by this paragraph be  
23 less than zero.

24 (B) Notwithstanding subparagraph (A), commencing  
25 with the 1994–95 fiscal year, in the County of Sacramento,  
26 the auditor shall determine the amount for each special  
27 district that represents the current amount of its  
28 allocations determined pursuant to Section 96, 96.1, 96.5,  
29 or 100.6 for the 1994–95 fiscal year that is attributed to the  
30 property tax shift from schools required by Chapter 282  
31 of the Statutes of 1979.

32 (4) (A) (i) On or before September 15, 1993, the  
33 county auditor shall determine an amount for each  
34 special district that is engaged in fire protection activities,  
35 as reported to the Controller for inclusion in the 1989–90  
36 Edition of the Financial Transactions Report Concerning  
37 Special Districts under the heading of "Fire Protection,"  
38 that is equal to the amount of revenue allocated to that  
39 special district from the Special District Augmentation  
40 Fund for fire protection activities in the 1992–93 fiscal

1 year. For purposes of the preceding sentence for counties  
2 of the second class, the phrase “amount of revenue  
3 allocated to that special district” means an amount of  
4 revenue that was identified for transfer to that special  
5 district, rather than the amount of revenue that was  
6 actually received by that special district pursuant to that  
7 transfer.

8 (ii) In the case of a special district, other than a special  
9 district governed by the county board of supervisors or  
10 whose governing body is the same as the county board of  
11 supervisors, that is engaged in fire protection activities as  
12 reported to the Controller, the county auditor shall also  
13 determine the amount by which the district’s amount  
14 determined pursuant to paragraph (3) exceeds the  
15 amount by which its allocation was reduced by operation  
16 of former Section 98.6 in the 1992–93 fiscal year. This  
17 amount shall be added to the amount otherwise  
18 determined for the district under this paragraph. In any  
19 county subject to former Section 98.65, 98.66, 98.67, or  
20 98.68 in that same fiscal year, the county auditor shall  
21 determine for each special district that is engaged in fire  
22 protection activities an amount that is equal to the  
23 amount determined for that district pursuant to  
24 paragraph (3).

25 (B) For purposes of this paragraph, a special district  
26 includes any special district that is allocated property tax  
27 revenue pursuant to this chapter and does not appear in  
28 the State Controller’s Report on Financial Transactions  
29 Concerning Special Districts, but is engaged in fire  
30 protection activities and appears in the State Controller’s  
31 Report on Financial Transactions Concerning Counties.

32 (5) The total amount of property taxes allocated to  
33 special districts by the county auditor as a result of  
34 paragraph (4) shall be subtracted from the amount of  
35 property tax revenues not allocated to special districts by  
36 the county auditor as a result of paragraph (3) to  
37 determine the amount to be deposited in the Education  
38 Revenue Augmentation Fund as specified in subdivision  
39 (d).



1 (6) On or before September 30, 1993, the county  
2 auditor shall notify the Director of Finance of the net  
3 amount determined for special districts pursuant to  
4 paragraph (5).

5 (d) (1) The amount of property tax revenues not  
6 allocated to the county, city and county, cities within the  
7 county, and special districts as a result of the reductions  
8 required by subdivisions (a), (b), and (c) shall instead be  
9 deposited in the Educational Revenue Augmentation  
10 Fund established in each county or city and county  
11 pursuant to Section 97.2. The amount of revenue in the  
12 Educational Revenue Augmentation Fund, derived from  
13 whatever source, shall be allocated pursuant to  
14 paragraphs (2) and (3) to school districts and county  
15 offices of education, in total, and to community college  
16 districts, in total, in the same proportion that property tax  
17 revenues were distributed to school districts and county  
18 offices of education, in total, and community college  
19 districts, in total, during the 1992–93 fiscal year.

20 (2) The county auditor shall, based on information  
21 provided by the county superintendent of schools  
22 pursuant to this paragraph, allocate that proportion of the  
23 revenue in the Educational Revenue Augmentation  
24 Fund to be allocated to school districts and county offices  
25 of education only to those school districts and county  
26 offices of education within the county that are not excess  
27 tax school entities, as defined in subdivision (n) of Section  
28 95. The county superintendent of schools shall determine  
29 the amount to be allocated to each school district in  
30 inverse proportion to the amounts of property tax  
31 revenue per average daily attendance in each school  
32 district. For each county office of education, the  
33 allocation shall be made based on the historical split of  
34 base property tax revenue between the county office of  
35 education and school districts within the county. In no  
36 event shall any additional money be allocated from the  
37 Educational Revenue Augmentation Fund to a school  
38 district or county office of education upon that district or  
39 county office of education becoming an excess tax school  
40 entity. If, after determining the amount to be allocated to

1 each school district and county office of education, the  
2 county superintendent of schools determines there are  
3 still additional funds to be allocated, the county  
4 superintendent of schools shall determine the remainder  
5 to be allocated in inverse proportion to the amounts of  
6 property tax revenue, excluding Educational Revenue  
7 Augmentation Fund moneys, per average daily  
8 attendance in each remaining school district, and on the  
9 basis of the historical split described above for each  
10 county office of education, that is not an excess tax school  
11 entity until all funds that would not result in a school  
12 district or county office of education becoming an excess  
13 tax school entity are allocated. The county  
14 superintendent of schools may determine the amounts to  
15 be allocated between each school district and county  
16 office of education to ensure that all funds that would not  
17 result in a school district or county office of education  
18 becoming an excess tax school entity are allocated.

19 (3) The county auditor shall, based on information  
20 provided by the Chancellor of the California Community  
21 Colleges pursuant to this paragraph, allocate that  
22 proportion of the revenue in the Educational Revenue  
23 Augmentation Fund to be allocated to community  
24 college districts only to those community college districts  
25 within the county that are not excess tax school entities,  
26 as defined in subdivision (n) of Section 95. The chancellor  
27 shall determine the amount to be allocated to each  
28 community college district in inverse proportion to the  
29 amounts of property tax revenue per funded full-time  
30 equivalent student in each community college district. In  
31 no event shall any additional money be allocated from the  
32 Educational Revenue Augmentation Fund to a  
33 community college district upon that district becoming  
34 an excess tax school entity.

35 (4) (A) If, after making the allocation required  
36 pursuant to paragraph (2), the auditor determines that  
37 there are still additional funds to be allocated, the auditor  
38 shall allocate those excess funds pursuant to paragraph  
39 (3). If, after making the allocation pursuant to paragraph  
40 (3), the auditor determines that there are still additional

1 funds to be allocated, the auditor shall allocate those  
2 excess funds pursuant to paragraph (2). If, after  
3 determining the amount to be allocated to each  
4 community college district, the Chancellor of the  
5 California Community Colleges determines that there  
6 are still additional funds to be allocated, the Chancellor  
7 of the California Community Colleges shall determine  
8 the remainder to be allocated to each community college  
9 district in inverse proportion to the amounts of property  
10 tax revenue, excluding Educational Revenue  
11 Augmentation Fund moneys, per funded full-time  
12 equivalent student in each remaining community college  
13 district that is not an excess tax school entity until all funds  
14 that would not result in a community college district  
15 becoming an excess tax school entity are allocated.

16 (B) (i) For the 1995–96 fiscal year and each fiscal year  
17 thereafter, if, after making the allocations pursuant to  
18 paragraphs (2) and (3) and subparagraph (A), the  
19 auditor determines that there are still additional funds to  
20 be allocated, the auditor shall, subject to clauses (ii) and  
21 (iii), allocate those excess funds to the county  
22 superintendent of schools. Funds allocated pursuant to  
23 this subparagraph shall be counted as property tax  
24 revenues for special education programs in  
25 augmentation of the amount calculated pursuant to  
26 Section 2572 of the Education Code, to the extent that  
27 those property tax revenues offset state aid for county  
28 offices of education and school districts within the county  
29 pursuant to subdivision (c) of Section 56836.08 of the  
30 Education Code.

31 (ii) For the 1995–96 fiscal year only, this subparagraph  
32 shall have no application to the County of Mono and the  
33 amount allocated pursuant to this subparagraph in the  
34 County of Marin shall not exceed five million dollars  
35 (\$5,000,000).

36 (iii) For the 1996–97 fiscal year only, the total amount  
37 of funds allocated by the auditor pursuant to this  
38 subparagraph and subparagraph (B) of paragraph (4) of  
39 subdivision (d) of Section 97.2 shall not exceed that  
40 portion of two million five hundred thousand dollars

1 (\$2,500,000) that corresponds to the county's  
2 proportionate share of all moneys allocated pursuant to  
3 this subparagraph and subparagraph (B) of paragraph  
4 (4) of subdivision (d) of Section 97.2 for the 1995–96 fiscal  
5 year. Upon the request of the auditor, the Department of  
6 Finance shall provide to the auditor all information in the  
7 department's possession that is necessary for the auditor  
8 to comply with this clause.

9 (C) For purposes of allocating the Educational  
10 Revenue Augmentation Fund for the 1996–97 fiscal year,  
11 the auditor shall, after making the allocations for special  
12 education programs, if any, required by subparagraph  
13 (B), allocate all remaining funds among the county,  
14 cities, and special districts in proportion to the amounts  
15 of ad valorem property tax revenue otherwise required  
16 to be shifted from those local agencies to the county's  
17 Educational Revenue Augmentation Fund for the  
18 relevant fiscal year. For purposes of ad valorem property  
19 tax revenue allocations for the 1997–98 fiscal year and  
20 each fiscal year thereafter, no amount of ad valorem  
21 property tax revenue allocated to the county, a city, or a  
22 special district pursuant to this subparagraph shall be  
23 deemed to be an amount of ad valorem property tax  
24 revenue allocated to that local agency in the prior fiscal  
25 year.

26 (5) For purposes of allocations made pursuant to  
27 Section 96.1 for the 1994–95 fiscal year, the amounts  
28 allocated from the Educational Revenue Augmentation  
29 Fund pursuant to this subdivision, other than those  
30 amounts deposited in the Educational Revenue  
31 Augmentation Fund pursuant to any provision of the  
32 Health and Safety Code, shall be deemed property tax  
33 revenue allocated to the Educational Revenue  
34 Augmentation Fund in the prior fiscal year.

35 ~~SEC. 53.~~

36 ~~SEC. 54.~~ This act shall become operative July 1, 1998.

37 ~~SEC. 54.~~

38 ~~SEC. 55.~~ This act is an urgency statute necessary for  
39 the immediate preservation of the public peace, health,  
40 or safety within the meaning of Article IV of the

1 Constitution and shall go into immediate effect. The facts  
2 constituting the necessity are:  
3 In order to ensure that special education funding  
4 reform is implemented appropriately pursuant to  
5 Chapter 854 of the Statutes of 1997, it is necessary that this  
6 act take effect immediately.

O

